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~~1401~~ United States 1395

Circuit Court of Appeals

For the Ninth Circuit.

In the Matter of GEORGE E. TILTON, Bankrupt.

GEORGE E. TILTON,

Appellant,

vs.

ANNA J. HELMS, ELIZABETH KEELAN, MAGDA
OLSON, REBECCA S. KNIGHT, R. BLIX,
FRANCES BLIX, CHRISTINA WADMAN, J. J.
MIDDAL, J. STARUP, ANNA C. ADAMS, JESSIE
HUMPHREY, ALICE SAXON, and RUTH SAXON,

Appellees.

Transcript of Record.

Upon Appeal from the United States District
Court for the Western District of Wash-
ington, Northern Division.

United States
Circuit Court of Appeals
For the Ninth Circuit.

In the Matter of GEORGE E. TILTON, Bankrupt.

GEORGE E. TILTON,

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INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

	Page
Additional and Supplemental Assignment of Error	26
Agreed Statement Under Equity Rule 77.....	3
Assignment of Errors	22
Certificate of Clerk U. S. District Court to Transcript of Record	29
Decision	18
Names and Addresses of Counsel.....	1
Oral Decision	15
Order Denying Discharge to Bankrupt.....	1
Order Governing Transcript	28
Praecipe for Transcript of Record.....	29
Stipulation Under Equity Rule 77.....	24
Stipulation Waiving Citation	25
 TESTIMONY:	
HELMES, ANNA J.	7
Cross-examination	9
KEELAN, ELIZABETH	10
Cross-examination	11
TILTON, GEORGE E.	11
Cross-examination	13

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In the District Court of the United States for the
Western District of Washington, Northern Di-
vision.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ORDER DENYING DISCHARGE TO BANK-
RUPT.

WHEREAS, George E. Tilton, of Seattle, King
County, Washington, in said district, having been
duly adjudged bankrupt under the acts of Congress
relating to bankruptcy, did in conformity to law, file
his petition for discharge from all debts provable

*Page-number appearing at foot of page of original Certified Trans-
script of Record.

against his estate under said Bankruptcy Acts, excepting such debts as are excepted by law from such discharge; and

WHEREAS certain creditors of said bankrupt did file specification of grounds of opposition to said bankrupt's discharge, whereupon issue was joined and said matter came on to be heard before the Hon. Jeremiah Neterer, Judge of said Court aforesaid, and the Court having heard the evidence in said cause, and finding that the objections to the discharge on the part of two of the said creditors only, Anna J. Helms and Elizabeth Keelan, were well taken, said objections were by the Court sustained; and

The said Court having rendered herein a memorandum decision in said case on the 29th day of April, 1924;

NOW, THEREFORE, in conformity therewith,

IT IS THEREFORE ORDERED BY THIS COURT, That the said George E. Tilton be not discharged in bankruptcy from all or any debts and claims which are made provable by said acts against his estate and which existed on the 25th day of May, 1921, but, on the contrary, that the said discharge of the said [2] George E. Tilton from all or any of said debts be and the same is hereby denied.

To which said ruling of the Court and order herein the said bankrupt does except, and his exception be and the same hereby is allowed.

WITNESS the Hon. JEREMIAH NETERER,
Judge of the said District Court and the seal there-
of this 8th day of May, 1924.

F. M. HARSHBERGER,
Clerk of said District Court.

Enter:

JEREMIAH NETERER,
Judge.

O. K.—SOLON T. WILLIAMS,
ALBERT J. ALLEN,
Solicitors for Objecting Creditors.

[Endorsed]: Filed in the United States District
Court, Western District of Washington, Northern
Division, May 8, 1924. F. M. Harshberger, Clerk.
By P. A. Page, Deputy. [3]

In the District Court of the United States for the
Western District of Washington, Northern Di-
vision.

1206541.

TRANSCRIPT OF RECORD.

In the Matter of GEORGE E. TILTON, Bankrupt.

AGREED STATEMENT UNDER EQUITY
RULE 77.

On April 26th, 1921, George E. Tilton made an
assignment for the benefit of creditors, turned over
property of an estimated value at that date of ap-

proximately One Hundred Forty Thousand (\$140,000.00) Dollars.

Thereafter on involuntary proceedings in bankruptcy he was on the 6th day of June, 1921, duly adjudicated bankrupt.

Mary E. Lemmon, one of the trustees under the assignment aforesaid, was immediately appointed trustee in bankruptcy and did administer said estate until closed on the 26th day of July, 1923.

The estate of the bankrupt was appraised at \$59,152.03.

Claims were filed in the estate by seventy-one (71) creditors and allowed, aggregating Eighty-eight Thousand Two Hundred One (\$88,201.00) Dollars.

On the 15th day of May, 1922, said bankrupt filed his petition for discharge. Thereupon 22 creditors, with claims aggregating \$36,125.65, filed specifications opposing bankrupt's discharge. Prior to hearing, nine of said creditors, with claims aggregating \$20,875.00, withdrew their objections and joined in the petition with 31 other creditors, whose claims aggregated \$31,459.19, petitioning for the discharge of the bankrupt. Eighteen creditors made no objection either for or against the discharge. Their claims totalled \$20,616.16. The trustee aforesaid joined in said petition for discharge. [4]

At the date of the hearing before the Hon. Jeremiah Neterer, District Judge, beginning February 11, 1924, the objecting creditors were 13 in number, with claims aggregating \$15,250.65.

At said hearing the objecting creditors relied upon but one specification, to wit: "That said bankrupt obtained money and property on credit upon materially false statements in writing made by him to the persons (in the specifications mentioned) for the purpose of obtaining credit from such persons."

The persons mentioned in the specifications, other than those who joined in the petition for discharge, or were silent relative thereto, were: J. J. Middal, Ruth Saxon, Alice Saxon, Magda Olson, Frances Blix, Anna J. Helms, Elizabeth Keelan and R. Blix, Rebecca S. Knight, Christina Wadman, J. Starup, Anna C. Adams and Jessie Humphrey.

Testimony was offered and introduced relative to three series of transactions alone, involving R. Blix, Anna J. Helms, Elizabeth Keelan and none other.

The Blix writing was as follows:

"23 September 1919.

Received of R. Blix,

Seventeen Hundred par value Liberty Bonds to be returned 1 year from date, plus interest on par value at rate of 7% per annum, payable semi annually. Coupons maturing during the year to belong to undersigned. For serial number see reversed side.

(Sgd.) G. E. TILTON.

ENDORSEMENTS:

J-10295524, Victory, \$100.	4	$\frac{3}{4}\%$	8 coupons,
J-10295525, Victory, \$100.	4	$\frac{3}{4}\%$	8 coupons,
J-10295526, Victory, \$100.	4	$\frac{3}{4}\%$	8 coupons,
C-7309083, Victory, \$100.	4	$\frac{3}{4}\%$	8 coupons,

C-7309084, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 C-7309085, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 C-7309086, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 76612 2nd Issue Converted, $4\frac{1}{4}\%$ \$500.00 2 coupons.
 76613 2nd Issue Converted, $4\frac{1}{4}\%$ \$500.00 2 coupons.

November 10, 1920, Seven One Hundred Dollar Victory Bonds returned to Mr. Blix.

G. E. TILTON." [5]

The Court held that the Blix receipt aforesaid was clearly a loan of Liberty Bonds, just the same as a person would loan money and was not such a materially false statement in writing as would prevent a discharge.

Hence there is involved on this appeal the receipts held only by Anna J. Helms and Elizabeth Keelan.

The bankrupt obtained from Anna J. Helms in all the sum of \$3300.00. The receipts, being renewal receipts, were dated October 20th, 1920, October 12th, 1920, September 20th, 1920, November 8th, 1920, November 1st, 1920, and November 11th, 1920, each in the sum of \$500.00 and one, September 16th, 1920, in the sum of \$300.00. Each receipt, except as to date and amount above referred to, was as follows:

“20 October 1920.

Received from Anna J. Helms, Five Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at rate of 10% per annum.

\$500.00.

G. E. TILTON.”

The bankrupt obtained from Elizabeth Keelan on October 11th, 1920, \$300.00 and November 24, 1920,

\$200.00 upon two receipts, each individual, except as to date and amount, as follows:

“11th October 1920.

Received from Elizabeth Keelan, Three Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at the rate of 10% per annum.

\$300.00.

G. E. TILTON.”

The Court denied a discharge to the bankrupt because of the Helms and Keelan receipts and the only question upon this appeal is whether those receipts in the light of the testimony introduced legally justified refusal of discharge under Section 14 subdivision b of the Bankruptcy Acts, as amended in 1910. [6]

TESTIMONY OF ANNA J. HELMS.

On Direct Examination.

Witness testified as follows:

That she was an egg candler, with a provable claim, against the bankrupt estate; that she has been a widow for eleven years; that she first met the bankrupt in 1919.

Q. Did you on March 10, 1919, loan him any money or give him any money? If so, under what circumstances? A. Yes, I loaned him money.

That on March 10, 1919, she gave the bankrupt \$1,000; that he had been represented to her as a loan agent and told her he loaned money and always loaned it out on good security, taking only one-

(Testimony of Anna J. Helms.)

third of the value, so she let him have the \$1,000 with interest at 10%; that he said he was always careful to look over his loans; that the bankrupt gave her a receipt for \$1,000; that altogether in 1919 she loaned the bankrupt \$6,000; that during that time she drew out \$2,000, leaving \$4300 that was not returned.

Q. You really loaned him altogether a total of \$6300? A. Yes, sir.

That the bankrupt exchanged the \$1,000 receipts into \$500 receipts. He said he could handle them better in \$500. Originally the receipts were for six months. He said any time I wanted my money to let him know two weeks ahead and I could have it. He kept his interest payments up regularly until the bankruptcy, when he told me he was broke.

It was agreed that the receipts set out in the specifications and as per receipt hereinabove set out, were renewals in 1920 of the original loans in 1919.

That as to the \$300 loan in September, 1919, the bankrupt took witness in an automobile to show some securities [7] that he had up for a loan; that they looked at a piano, certain fixtures in the Mayflower Hotel and a houseboat on Lake Union; that the houseboat was agreeable to her and on returning to the bankrupt's office she gave him a check for \$300.00 to loan on the houseboat; that the bankrupt took no security for the \$300.00 as far as she knew and gave her nothing but a receipt; that the bankrupt after he was broke, stated he had used the

(Testimony of Anna J. Helms.)

money personally, placed it in a general fund and used it for his personal use; that he then desired to change the receipts into promissory notes; that two of the receipts have been changed into promissory notes; that he paid \$110 upon the notes.

That she would not have loaned the money if she had known the bankrupt was going to put it to his own use.

On cross-examination she testified as follows:

That on March 10, 1919, was the first loan of \$1,000; that she did not go out and look at any property at that time; on March 18th she loaned another \$1,000; March 31st another \$1,000; April 11th \$1,000; April 22d \$1,000; May 7th \$1,000; and September 16th, 1919, \$300; that he was to pay the money back at any time she asked for it on two weeks' notice; that it was placed on a six months' basis, so he would pay interest on that time. All transactions were the same.

As to the renewal receipts reducing the amount to \$500.00:

Q. Did he tell you that his loans were so arranged that he did not want to take the obligation of getting back \$6,000 in two weeks with all the interest?

A. I don't know what he said as to that.

Q. You understand it that way that his loans were made that way? Didn't you understand from what he said that he wouldn't take this money if he had to pay all the \$6,000 [8] back on two weeks' demand?

A. No, I didn't understand it exactly that way.

(Testimony of Anna J. Helms.)

Q. Didn't he tell you that in substance or effect?

A. I couldn't say that he did exactly.

That she never examined any property on any loan except the \$300 on the piano or houseboat; that she never asked the bankrupt to show her any property; that she never satisfied a note or mortgage, nor did she make inquiry if mortgage was taken in her name.

That she had no ill feeling toward the bankrupt, but just wanted her money back; that she swore to a complaint and had the bankrupt arrested on a charge of obtaining money under false pretenses growing out of the transaction of September 16th, 1919; that the bankrupt was acquitted.

TESTIMONY OF ELIZABETH KEELAN.

On Direct Examination.

That she has been a waitress for fifteen years.

Q. Did you during November, 1920, loan Tilton \$500 in cash. A. Yes, sir.

Q. Was that \$500 loan made in one loan or in several loans? A. Two.

That the bankrupt said he was a loan agent and never let out money except on good security and at one-third of the value; that shortly after the loan the bankrupt desired to change the receipts into notes; that she would not have loaned the money if she had known he was going to apply it to his own use.

(Testimony of Elizabeth Keelan.)

On cross-examination she testified:

Q. You said you went up and loaned him \$300 and [9] then \$200? A. Yes, sir.

At the close of this testimony, the objecting creditors having rested, the bankrupt moved for a non-suit, or such other order as was proper because the objectors had failed to make out any case to resist the discharge. The motion was denied. Exception allowed.

TESTIMONY OF GEORGE E. TILTON.

On Direct Examination.

That he never told Mrs. Helms that he would take her money and loan it for her; that he borrowed the money from her with the understanding that he should use it in his business and that he would pay her; that he told her he was making loans and that money was coming in constantly and if she would give him reasonable time, a week or two, when she wanted money back, he could always meet it. There were two or three occasions when she did come in and when he paid in advance.

Q. Did you tell her you were going to act as agent for her?

A. No. I took the money and loaned it in my name. It was loaned to me and I reloaned it.

That nothing was said about guaranteeing to her that the loan would be paid; that the money was borrowed and he agreed to pay it at the time specified.

That relative to the Lake Union houseboat, Mrs. Helms came into the office, had a headache and he

(Testimony of George E. Tilton.)

told her that he was going out on a trip and suggested that she come along; that he went around to look at some pieces of property he owned and examined some property on which he had applications for loans. One was a houseboat; that he told her he had an application for the houseboat, but after examination of it he turned it down; that Mrs. Helms loaned the witness [10] \$300 before they started on the trip and not after they came back.

That in addition in making loans, he was in the logging business and had charge of a building and loan association; that at the time these loans were made he did not then know that he was in failing circumstances; that he ascertained that fact in the latter part of January, 1921; that he had very considerable property at that time and if same had been left to him he could have paid one hundred cents on the dollar.

That originally Mrs. Helms had objected to the form of receipt and asked for notes when they first began to do business; that he agreed to notes and then she said, "Well, it doesn't make any difference. I will take this." That in January some creditors suggested the receipts might make him liable as a trust proposition and he stated he had never understood it that way; that they had always been handled as notes and that he had handled thousands and thousands of dollars that way; that if there was any danger otherwise he wanted the legal evidence of his indebtedness put in the form which he and his creditors always understood it to be; that prior there-

(Testimony of George E. Tilton.)

to other creditors had objected to the receipts and he had changed them into notes when requested. So he did go to Mrs. Helms and Miss Keelan. He stated to Mrs. Helms that as she knew, the money was loaned direct to him, and if there was any such liability as suggested, he wanted it put back on the basis of a straight loan; that never until the time of the criminal prosecutions did she claim they were anything except straight loans.

That he never told her that he had lost everything and she was stuck, but did tell her that he was seriously embarrassed and that he was stuck. [11]

On cross-examination the witness testified that he had been admitted to the bar eighteen or twenty years ago, but never practiced; that he was an officer of the Prudential Savings & Loan Association.

That the money loaned by Mrs. Helms and the other creditors in her position, was actually used in chattel loans on personal property, principally, perhaps on some real property; that he never used any of the Helms money in his own personal business ventures; that the Helms money went into chattel loans; that his books show he lost some \$29,000 on chattel loans.

That the books do not show, and never did, that any money which he loaned belonged to any particular individual because he was not loaning for any particular individual, but always loaned the money in his own name.

Q. You considered it, in other words, a loan to you? A. Yes.

(Testimony of George E. Tilton.)

That he did not give security to Mrs. Helms or Miss Keelan; that Blix had security.

Q. You are telling the Court that those were merely loans to yourself personally?

A. That is the way we understood it at the time.

Q. Why did not you give notes then?

A. I did in many cases.

That he had carried on his own business transactions in this manner for a great many years.

That he was to pay Miss Keelan 10% interest; that he loaned the money out on chattel loans, was paid 10% and also certain fees for services; that he never represented he was acting as agent for other parties; that the people to whom he made loans understood they were dealing with the bankrupt alone; that he did loan money with real property as security, but the [12] *but the* bulk of the loans were on personal property; that he generally acted as his own appraiser and the mortgages and bills of sale were given to him.

That the trip with Mrs. Helms in September was not with any reference to the \$300 loan; that he simply took her along as a courtesy, thinking the fresh air would cure her headache. That there was another lady with her that went along; that she gave him the \$300 before they started.

At the close of this testimony, there being no rebuttal, the bankrupt renewed the motion for discharge of the bankrupt and the Court took the matter under advisement, suggesting a desire to hear argument.

Thereafter the Court rendered the following oral decision :

ORAL DECISION.

The receipts in the form as given to Mrs. Helms, which say, "Received from Anna J. Helms \$500 for loan purposes, to be loaned and returned six months from date, plus interest at the rate of ten per cent per annum," create a relation between Mrs. Helms and Mr. Tilton other than that of principal and creditor.

The money was given for a specific purpose. It was for loan purposes. Now that was for loans for Mrs. Helms, and by that receipt Mr. Tilton impliedly agreed that that fund would be loaned for Mrs. Helms. He has not placed it into a general fund useful for a general purpose; and when he failed to do that he violated a trust that was impliedly created at least by these receipts.

I am satisfied by the testimony of all parties that that was at least the understanding of Mrs. Helms, and the conduct of the defendant, the very substance of the receipts, would lead her to that conclusion.
[13]

And the same applies to—what was the name of the other woman who testified?

Mr. EMORY.—Miss Keelan.

The COURT.—Miss or Mrs.?

Mr. EMORY.—Miss Keelan.

Mr. RUMMENS.—Didn't Miss Keelan testify that she went there and loaned it to Mr. Tilton?

The COURT.—I am referring to the receipts.

The receipt is the same general relation and in substance I guess exactly the same.

So, as far as these parties are concerned, I think that they have a right to successfully resist this discharge.

Now, as to Mr. Blix, Mr. Blix, I think, sustains a little different relation. Supposing that Mr. Blix had given to Mr. Tilton ten \$100 bills, to be returned or repaid, it would be just the same as giving him Liberty bonds.

This is in substance—this is what it says, “Received of R. Blix \$690 in the form of United States Liberty Bonds,” giving the numbers, the issue and the coupons attached, “same to be returned on or before one year from date, interest to be at the rate of seven per cent, payable semi-annually, maturing coupons to belong to the undersigned.”

That was clearly a loan of Liberty bonds, just the same as a person would loan money, and when a person loans money you know that you are not going to get the same money back, and when these bonds were loaned, they were loaned for the purpose of commercial use, otherwise they could not be used for any other purpose, and I do not think that Mr. Blix was probably misled by this. He does not stand in the same relation as these other parties. [14]

As to these two parties who testified, Mrs. Helms and Miss Keelan, the discharge will be denied. As to whether the discharge should be general, I am not conclusive; I have not thought about it any further. If you desire to submit anything on that, I would—

Mr. EMORY.—I desire to submit authorities on that.

The COURT.—I would be very glad to have you do that.

The discharge as to these two parties will be denied, and as to whether the order should be general, I will be very glad to have you submit authorities.

Mr. EMORY.—I will be glad to submit authorities.

The COURT.—You can look into that matter, and you may collate your authorities.

Mr. RUMMENS.—I am afraid one five cent bill would deny a million dollar discharge. Do you find fraud in it? You have never yet said there was any fraud. You say there was misappropriation of some money.

The COURT.—Yes, I think there was. I think as to those two parties who testified here that Mr. Tilton was guilty of fraud upon those parties.

Mr. RUMMENS.—Was it fraud or misappropriation?

The COURT.—A misappropriation. He received money upon an implied understanding that a certain thing was to be done, and it was not done.

Mr. RUMMENS.—Your Honor will allow an exception.

The COURT.—Yes.

Mr. EMORY.—I presume that your Honor finds that our objections as stated in the exceptions with reference to Mrs. Helms and Miss Keelan are true?

The COURT.—Yes.

Mr. RUMMENS.—These objections are written.
[15]

The COURT.—Yes. The application for discharge as to them will be denied, and I will be glad to be advised as to whether there should be a general discharge or not.

However, no order was entered, but the matter taken under advisement and briefs submitted, and thereafter, on April 29, 1924, the Court, Neterer, Judge, rendered a formal decision as follows:

In the United States District Court for the Western District of Washington, Northern Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

DECISION.

(On Objections to Discharge.)

Filed April 29, 1924.

RUMMENS and GRIFFIN, Attorneys for Bankrupt.

POE, FALKNOR, FALKNOR & EMORY, Attorneys for Objecting Creditors.

NETERER, District Judge:

At the conclusion of the hearing the Court announced its findings upon the facts, and held that the objections to the discharge on the part of two of the creditors, Anna J. Helms and Elizabeth Keelan, were sustained. The matter was continued to determine

whether the denial of discharge extended to all of bankrupt's debts. Authorities have been submitted by the objecting creditors and a voluminous brief presented and authorities cited, by the bankrupt, upon inefficiency of the proof to sustain the charge.

Without reviewing the issue of fact *in extenso*, reflection upon the testimony and record submitted does not change the conclusion announced at the closing of the trial. I am satisfied from all of the testimony that the receipt of memoranda executed did not truthfully state the conditions upon which the money was paid to the bankrupt. [16] The bankrupt in his testimony, as I understand it in substance, stated that in some conversation with some of the creditors he did say that the receipt did not clearly state the conditions of the loan. A rational human being is presumed to intend the natural and probable consequences of his words and conduct. The money was obtained by the bankrupt upon the receipt as the inducing cause, which did not state the fact. So concluding upon the facts, the objections to discharge will be sustained.

In re Miller, 192 Fed. 730.

NETERER,
U. S. District Judge.

On May 8, 1924, the Court signed and there was entered an order denying discharge as follows:

In the District Court of the United States for the
Western District of Washington, Northern Di-
vision.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ORDER DENYING DISCHARGE TO BANK-
RUPT.

WHEREAS, George E. Tilton, of Seattle, King County, Washington, in said district, having been duly adjudged bankrupt under the acts of Congress relating to Bankruptcy, did, in conformity to law, file his petition for discharge from all debts provable against his estate under said Bankruptcy Acts, excepting such debts as are excepted by law from such discharge; and

WHEREAS certain creditors of said bankrupt did file specification of grounds of opposition to said bankrupt's [17] discharge, whereupon issue was joined and said matter came on to be heard before the Hon. Jeremiah Neterer, Judge of said Court aforesaid, and the Court having heard the evidence in said cause, and finding that the objections to the discharge on the part of two of the said creditors only, Anna J. Helms and Elizabeth Keelan, were well taken, said objections were by the Court sustained, and

The said Court having rendered herein a memorandum decision in said case on the 29th day of April, 1924;

NOW, THEREFORE, in conformity therewith,
IT IS THEREFORE ORDERED BY THIS
COURT, That the said George E. Tilton be not discharged in bankruptcy from all or any debts and claims which are made provable by said acts against his estate and which existed on the 25th day of May, 1921, but on the contrary that the said discharge of the said George E. Tilton, from all or any of said debts be and the same is hereby denied.

To which said ruling of the Court and order herein the said bankrupt does except, and his exception be and the same hereby is allowed.

WITNESS the Hon. JEREMIAH NETERER,
Judge of the said District Court and the seal thereof
this 8th day of May, 1924.

F. M. HARSHBERGER,
Clerk of Said District Court.

Enter:

JEREMIAH NETERER,
Judge.

O. K.—SOLON T. WILLIAMS,
ALBERT J. ALLEN,

Solicitors for Objecting Creditors.

Whereupon the bankrupt did on May 8, 1924, petition for appeal to the Circuit Court of Appeals, Ninth Circuit, and filed therewith the following assignments of error: [18]

In the District Court of the United States for the Western District of Washington, Northern Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ASSIGNMENT OF ERRORS.

And now, on this 8th day of May, A. D. 1924, came the above-named bankrupt, George E. Tilton, by his solicitors, George H. Rummens and Tracy E. Griffin, and says that the decree or order entered in the above case on the 8th day of May, A. D. 1924, wherein final discharge is to the bankrupt denied, is erroneous and unjust to defendant.

First. Because it denies to the bankrupt his final discharge from any and/or all debts and claims which are made provable by said Acts of Bankruptcy against his estate and which existed on the 25th day of May, 1921, on which day the petition for adjudication was filed.

Second. Because said order or decree denies to the bankrupt his discharge in bankruptcy as sought.

Third. Because said decree or order denies to the bankrupt a discharge for causes not specified in Section 14 Subdivision b of the Bankruptcy Act as amended in 1910.

Fourth. Because said order or decree denies the bankrupt a discharge based upon Section 17 of said Acts.

Fifth. Because said order or decree denies to the bankrupt a discharge as to all debts of every nature and description made provable by said Acts against his estate which existed on the 25th day of May, 1921, although the objections filed were sustained as to but two creditors. [19]

Sixth. Because the Court should have granted bankrupt's motion for discharge at the close of the case of the objecting creditors, and granted bankrupt's motion of nonsuit therein.

WHEREFORE, the bankrupt prays that the said order or decree be reversed and the Circuit Court be instructed to enter a decree and order of final discharge to the bankrupt, as in his petition sought, or that it enter such other and different proper decree as by the records justified.

GEORGE H. RUMMENS,

TRACY E. GRIFFIN,

Solicitors.

That said appeal was by the Court allowed on May 8, 1924, and a bond filed and approved May 8, 1924.

That this agreed statement is made pursuant to Equity Rule 77, under the following stipulation and waiver of citation:

In the District Court of the United States for the
Western District of Washington, Northern Di-
vision.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

STIPULATION UNDER EQUITY RULE 77.

IT IS HEREWITH STIPULATED by George E. Tilton, bankrupt, appellant, through George H. Rummens and Tracy E. Griffin, his counsel, with Anna J. Helms, Elizabeth Keelan, R. Blix et al., appellees, through their counsel, Solon T. Williams and Albert J. Allen, that WHEREAS the questions presented by this appeal can be determined by the Appellate [20] Court without an examination of all the proceedings and evidence, that the Clerk in making up the transcript may omit therefrom all papers and records in said cause except the statement of the case signed by representative counsel hereto, which set forth as much only of the facts as is essential to a decision of such questions by the Appellate Court, and that an order may be entered accordingly with the permission of the Court.

GEO. H. RUMMENS.

TRACY E. GRIFFIN.

SOLON T. WILLIAMS.

ALBERT J. ALLEN.

In the District Court of the United States for the
Western District of Washington, Northern
Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

STIPULATION WAIVING CITATION.

IT IS HEREWITH STIPULATED by the ob-
jecting creditors, appellees, through Solon T. Will-
iams and Albert J. Allen, with George E. Tilton,
Bankrupt, appellant, through Geo. H. Rummens
and Tracy E. Griffin, his attorneys, that the notice
of appeal and assignments of error have been duly
and regularly served upon said counsel for appel-
lees and that in the premises a citation need not
issue, but the same is hereby waived.

Dated at Seattle this 8th day of May, 1924.

GEO. H. RUMMENS.

TRACY E. GRIFFIN.

SOLON T. WILLIAMS.

ALBERT J. ALLEN. [21]

That on said 8th day of May, 1924, the following
additional and supplemental assignment of error
was filed with and as a part of the assignments of
error in this cause.

In the District Court of the United States for the
Western District of Washington, Northern
Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ADDITIONAL AND SUPPLEMENTAL AS-
SIGNMENT OF ERROR.

And now, on this 8th day of May, A. D. 1924, came the above-named bankrupt, George E. Tilton, by his solicitors, George H. Rummens and Tracy E. Griffin, and says that the decree or order entered in the above-entitled cause on the 8th day of May, 1924, wherein final discharge is to the bankrupt denied, is erroneous and unjust to the bankrupt for the following reason in addition to and supplemental to the assignments of error heretofore on this day filed herein:

ADDITIONAL AND SUPPLEMENTAL ERROR.

Because the refusal to discharge the bankrupt was based solely upon the transactions had between the bankrupt and Anna J. Helms and Elizabeth Keelan, and upon their testimony alone, and they each and both testified that they loaned the money to George E. Tilton, the bankrupt, and that the receipt which he gave them evidenced said loan, the body of which receipt, omitting dates and amounts, is as follows:

“Received from——, ——Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at the rate of 10% per annum.”

and all the testimony in the case shows that said transactions were direct loans to the bankrupt Tilton and the receipt is not such character of instrument in writing as is contemplated by the Bankruptcy Act to constitute a material false statement in writing, and the said bankrupt did not obtain money or [22] property or credit upon any materially false statement in writing made by him, either to said Anna J. Helms or Elizabeth Keelan, for the purpose of obtaining credit from such persons, or otherwise, or at all, and that the order or decree erroneously and unjustly denies to the bankrupt his final discharge from any and/or all debts and claims which are made provable by said Acts of Bankruptcy against his estate, and which existed on the 25th day of May, 1921, on which day the petition for adjudication was filed, and the said decree or order is contrary to the evidence in the case and is not supported by the evidence in the case.

WHEREFORE, the bankrupt prays that the said Order or Decree be reversed and the Circuit Court be instructed to enter a decree and order of final discharge to the bankrupt, as in his petition sought, or that it enter such other and different proper decree as by the records justified.

GEORGE H. RUMMENS,
TRACY E. GRIFFIN,

Solicitors. [23]

GEO. H. RUMMENS.
TRACY E. GRIFFIN.
SOLON T. WILLIAMS.
ALBERT J. ALLEN.

[Endorsed]: Filed in the United States District Court, Western District of Washington, Northern Division. May 8, 1924. F. M. Harshberger, Clerk. By P. A. Page, Deputy. [24]

In the District Court of the United States for the
Western District of Washington, Northern
Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ORDER GOVERNING TRANSCRIPT.

It appearing to the Court that the parties in the above-entitled cause have stipulated for and made and subscribed to an agreed statement of the case, pursuant to Equity Rule 77, said agreed statement being filed herewith,—

IT IS ORDERED That the said agreed statement shall be treated as superseding for the purposes of the appeal, all parts of the record other than the order or decree of May 8, 1924, from which the appeal is taken, and the said agreed statement, together with such order or decree, shall be copied and certified to the Appellate Court as the record on appeal.

Done in open court this 8th day of May, 1924.

JEREMIAH NETERER,

Judge.

[Endorsed]: Filed in the United States District Court, Western District of Washington, Northern

Division. May 8, 1924. F. M. Harshberger, Clerk.
By P. A. Page, Deputy. [25]

United States District Court for the Western Dis-
trict of Washington.

No. 6541.

In the Matter of GEO. E. TILTON, Bankrupt.

PRAECIPE FOR TRANSCRIPT OF RECORD.

To the Clerk of the Above-entitled Court:

You will please issue transcript on appeal in the
above cause:

Agreed statement under Equity Rule 77.

Order denying discharge to bankrupt.

Order governing transcript.

GEO. H. RUMMENS.

TRACY E. GRIFFIN. [26]

In the United States District Court for the Western
District of Washington, Northern Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt,

CERTIFICATE OF CLERK U. S. DISTRICT
COURT TO TRANSCRIPT OF RECORD.

United States of America,

Western District of Washington,—ss.

I, F. M. Harshberger, Clerk of the United States

District Court for the Western District of Washington, do hereby certify this typewritten transcript of record consisting of pages, numbered from 1 to 26 inclusive, to be a full, true, correct and complete copy of so much of the record, papers, and other proceedings in the above and foregoing entitled cause, as is required by praecipe of counsel filed and shown herein, as the same remain of record and on file in the office of the clerk of said District Court, and that the same constitute the record on appeal herein from the judgment of the said United States District Court for the Western District of Washington to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify the following to be a full, true, and correct statement of all expenses, costs, fees and charges incurred, and paid in my office by or on behalf of the petitioners and appellants herein, for making record, certificate or return to the United States Circuit Court of Appeals for the Ninth Circuit in the above-entitled cause, to wit: [27]

Clerk's fees (Sec. 828, R. S. U. S.) for making record, certificate or return 63 folios at 15c.....	\$9.45
Certificate of Clerk to transcript of record, 4 folios at 15c.....	60
Seal to said certificate.....	20

I hereby certify that the above cost for preparing and certifying record, amounting to \$10.25, has been paid to me by attorneys for appellant.

I further certify that I hereto attach and herewith transmit the original citation issued in this cause.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District Court at Seattle, in said district, this 14th day of May, 1924.

[Seal] F. M. HARSHBERGER,
Clerk United States District Court, Western District of Washington. [28]

[Endorsed]: No. 4254. United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of George E. Tilton, Bankrupt. George E. Tilton, Appellant, vs. Anna J. Helms, Elizabeth Keelan, Magda Olson, Rebecca S. Knight, R. Blix, Frances Blix, Christina Wadman, J. J. Middal, J. Starup, Anna C. Adams, Jessie Humphrey, Alice Saxon, and Ruth Saxon, Appellees. Transcript of Record. Upon Appeal from the United States District Court for the Western District of Washington, Northern Division.

Filed May 16, 1924.

F. D. MONCKTON,
Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

United States
Circuit Court of Appeals ²

For the Ninth Circuit

In the Matter of GEORGE E. TILTON, Bankrupt.
GEORGE E. TILTON,

Appellant,

vs.

ANNA J. HELMS, ELIZABETH KEELAN,
MAGDA OLSON, REBECCA S. KNIGHT, R.
BLIX, FRANCES BLIX, CHRISTINA WAD-
MAN, J. J. MIDDAL, J. STARUP, ANNA C.
ADAMS, JESSIE HUMPHREY, ALICE SAX-
ON, and RUTH SAXON,

Appellees.

Brief of Appellant

Upon Appeal from the United States District
Court for the Western District of
Washington, Northern
Division

GEO. H. RUMMENS,
TRACY E. GRIFFIN,
Attorneys for Appellant.

612 American Bank Bldg.
Seattle, Washington.

AUG 18 1924

United States
Circuit Court of Appeals
For the Ninth Circuit

In the Matter of GEORGE E. TILTON, Bankrupt.
GEORGE E. TILTON,

Appellant,

vs.

ANNA J. HELMS, ELIZABETH KEELAN,
MAGDA OLSON, REBECCA S. KNIGHT, R.
BLIX, FRANCES BLIX, CHRISTINA WAD-
MAN, J. J. MIDDAL, J. STARUP, ANNA C.
ADAMS, JESSIE HUMPHREY, ALICE SAX-
ON, and RUTH SAXON,

Appellees.

Brief of Appellant

Upon Appeal from the United States District
Court for the Western District of
Washington, Northern
Division

GEO. H. RUMMENS,
TRACY E. GRIFFIN,
Attorneys for Appellant.

612 American Bank Bldg.
Seattle, Washington.

STATEMENT OF THE CASE

This is an appeal from an order of the District Court, Neterer, Judge, denying to George E. Tilton, bankrupt, a final discharge in bankruptcy.

The record and transcript is before this court under an agreed statement by virtue of Equity Rule No. 77.

On April 26, 1921 George E. Tilton made an assignment for the benefit of creditors. At that date he delivered to the assignees property of an estimated value of approximately One Hundred Forty Thousand (\$140,000) Dollars. Thereafter, on involuntary proceedings in bankruptcy, he was, on the 6th day of June, 1921, duly adjudicated bankrupt.

Claims were filed in the estate by seventy-one (71) creditors and allowed, aggregating Eighty-eight Thousand Two Hundred One (\$88,201) Dollars.

On the 15th day of May, 1922 said bankrupt filed his petition for discharge. Thereupon, twenty-two (22) creditors with claims aggregating Thirty-six Thousand One Hundred Twenty-five and 65/100 (\$36,125.65) Dollars, filed specifications opposing the bankrupt's discharge. Prior to the hearing Nine (9) of said creditors, with claims aggregating Twenty Thousand Eight Hundred Seventy-five

(\$20,875) Dollars, withdrew their objections and joined in a petition with thirty-one (31) other creditors, whose claims aggregated Thirty-one Thousand Four Hundred Fifty-nine and 19/100 (\$31,459.19) Dollars, petitioning for the discharge of the bankrupt. (Trans. 4.)

The remaining eighteen (18) creditors with claims aggregating Twenty Thousand Six Hundred Sixteen and 16/100 (\$20,616.16) Dollars made no objection to the discharge.

The Trustee, who was familiar with all the facts in the matter, joined in said petition for discharge. The petition was signed and supported by the three largest creditors.

At the date of hearing, the objecting creditors were Thirteen in number, with claims aggregating Fifteen Thousand Two Hundred Fifty and 65/100 (\$15,250.65) Dollars.

At said hearing the objecting creditors relied upon but one specification, to-wit:

“That said bankrupt obtained money and property on credit upon materially false statements in writing made by him to the persons (in the specifications mentioned) for the purpose of obtaining credit from such persons.”

Testimony was offered and introduced relative to three series of transactions alone, involving appellees Blix, Helms, Keelan, and none other.

The Blix writing was as follows:

“23 September, 1919.

Received of R. Blix,

Seventeen Hundred par value Liberty Bonds to be returned 1 year from date, plus interest on par value at rate of 7% per annum, payable semi annually. Coupons maturing during the year to belong to undersigned. For serial number see reversed side.

(Sgd.) G. E. TILTON.

ENDORSEMENTS:

J-10295524, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 J-10295525, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 J-10295526, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 C- 7309083, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 C- 7309084, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 C- 7309085, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 C- 7309086, Victory, \$100. 4 $\frac{3}{4}\%$ 8 coupons,
 76612 2nd Issue Converted, $4\frac{1}{4}\%$ \$500.00 2
 coupons,
 76613 2nd Issue Converted, $4\frac{1}{4}\%$ \$500.00 2
 coupons.

November 10, 1920, Seven One Hundred Dollar Victory Bonds returned to Mr. Blix.
 G. E. TILTON.” (T. 6.)

The Court held that the Blix receipt aforesaid was clearly a loan of Liberty Bonds, just the

same as a person would loan money and was not such a materially false statement in writing as would prevent a discharge.

Hence there is involved on this appeal the receipts held only by Anna J. Helms and Elizabeth Keelan.

The bankrupt obtained from Anna J. Helms in all the sum of \$3300.00. The receipts, being renewal receipts, were dated October 20th, 1920, October 12th, 1920, September 20th, 1920, November 8th, 1920, November 1st, 1920, and November 11th, 1920, each in the sum of \$500.00 and one September 16th, 1920, in the sum of \$300.00. Each receipt, except as to date and amount above referred to, was as follows:

“20 October 1920.

Received from Anna J. Helms, Five Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at rate of 10% per annum.

\$500.00.

G. E. TILTON.” (T. 6.)

The bankrupt obtained from Elizabeth Keelan on October 11th, 1920, \$300.00 and November 24, 1920, \$200.00 upon two receipts, each identical, except as to date and amount, as follows:

“11th October 1920.

Received from Elizabeth Keelan, Three

Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at the rate of 10% per annum.

\$300.00.

G. E. TILTON.” (T. 6.)

The Court denied a discharge to the bankrupt because of the Helms and Keelan receipts, as above set out, and the only question upon this appeal is whether those receipts legally justified refusal of discharge under Section 14, Sub-Division “b” of the Bankruptcy Act, as amended in 1910.

The only testimony touching these receipts was that of Anna J. Helms, Elizabeth Keelan and the Bankrupt.

On direct examination Anna J. Helms testified:

“Q. Did you on March 10, 1919 loan him any money or give him any money? If so, under what circumstances?”

A. Yes, I loaned him money.”

She testified the bankrupt had been represented to her as a loan agent and he told her he loaned money and always on good security, taking only one-third the value, so she loaned him \$1,000 on March 10, 1919; that she loaned in all Six Thousand and Three Hundred (\$6,300) Dollars and withdrew Two Thousand (\$2,000) Dollars; that originally the receipts were for six months; that the

bankrupt exchanged the One Thousand (\$1,000) Dollars receipts for the Five Hundred (\$500.00) Dollar receipts because he could handle them better; that he promised witness her money any time she wanted it, provided he had two weeks notice in advance; that he kept the interest payments up regularly until the bankruptcy;

That on the Three Hundred (\$300.00) Dollars loan, in September, 1919, the witness examined a house boat and gave him the Three Hundred (\$300.00) Dollars to loan on the house boat; that after the bankruptcy the bankrupt told the witness he had used the money personally and placed it in a general fund; that he desired to change the receipts into promissory notes and two of them had been so changed; that he paid One Hundred Ten (\$110.00) Dollars upon the notes and she would not have loaned the money if she had known the bankrupt was going to put it under his own use. (T. 8.)

On cross-examination she testified that the loans were made through March to May, 1919 in One Thousand (\$1,000) Dollar loans and one of Three Hundred (\$300.00) Dollars September 16, 1919; that the loans were placed upon a six months basis so she could draw interest for that period, although she demanded the privilege of withdrawing any part of the money she wanted on two

weeks notice; that she never examined any property on any loan except the last one of Three Hundred (\$300.00) Dollars; that she never asked the bankrupt to show her any property; never satisfied a note or mortgage, nor did she make inquiry if mortgage was taken in her name;

That while she had no ill feeling toward the bankrupt, she swore to a complaint and had the bankrupt arrested on a charge of obtaining money under false pretenses, growing out of the transaction of September 16, 1919, being the Three Hundred (\$300.00) loan covering the house boat; that the bankrupt was acquitted.

Elizabeth Keelan testified:

“Q. Did you during November, 1920, loan Tilton \$500.00 in cash.

A. Yes, sir.

Q. Was that \$500 loan made in one loan or in several loans?

A. Two.”

That the bankrupt said he was a loan agent and never let out money except on good security and at one-third of the value; that shortly after the loan the bankrupt desired to change the receipts into notes; that she would not have loaned the money if she had known he was going to apply it to his own use.

On cross-examination she testified:

“Q. You said you went up and loaned him \$300 and (9) then \$200?

A. Yes, sir.”

At the close of this testimony, the objecting creditors having rested, the bankrupt moved for a non-suit, or such other order as was proper because the objectors had failed to make out any case to resist the discharge. The motion was denied. Exception allowed. (Tr. 11.)

The bankrupt testified, on direct examination:

That he never told Mrs. Helms that he would take her money and loan it for her; that he borrowed the money from her with the understanding that he should use it in his business and that he would pay her; that he told her he was making loans and that money was coming in constantly and if she would give him reasonable time, a week or two, when she wanted money back he could always meet it. There were two or three occasions when she did come in and when he paid in advance.

Q. Did you tell her you were going to act as agent for her?

A. No. I took the money and loaned it in my name. It was loaned to me and I re-loaned it.”

That nothing was said about guaranteeing to her that the loan would be paid; that the money was borrowed and he agreed to pay it at the time specified.

That relative to the Lake Union houseboat, Mrs. Helms came into the office, had a headache and he told her that he was going out on a trip and suggested that she come along; that he went around to look at some pieces of property he owned and examined some property on which he had applications for loans. One was a houseboat; that he told her he had an application for the houseboat, but after examination of it he turned it down; that Mrs. Helms loaned the witness (10) \$300.00 before they started on the trip and not after they came back.

That in addition to making loans, he was in the logging business and had charge of a building and loan association; that at the time these loans were made he did not then know that he was in failing circumstances; that he ascertained that fact in the latter part of January, 1921; that he had very considerable property at that time and if same had been left to him he could have paid one hundred cents on the dollar.

That originally Mrs. Helms had objected to the form of receipt and asked for notes when they first began to do business; that he agreed to notes and then she said, "Well, it doesn't make any difference. I will take this." That in January some creditors suggested the receipts might make him liable as a trust proposition and he stated he had

never understood it that way; that they had always been handled as notes and that he had handled thousands and thousands of dollars that way; that if there was any danger otherwise he wanted the legal evidence of his indebtedness put in the form which he and his creditors always understood it to be; that prior thereto other creditors had objected to the receipts and he had changed them into notes when requested. So he did go to Mrs. Helms and Miss Keelan. He stated to Mrs. Helms that as she knew, the money was loaned direct to him, and if there was any such liability as suggested, he wanted it put back on the basis of a straight loan; that never until the time of the criminal prosecution, did she claim they were anything except straight loans. (Trans. 11-13.)

On cross-examination the bankrupt testified that the money loaned by Mrs. Helms and other creditors in her position was actually used in chattel loans on personal property; that he never used any of the Helms money in his own personal business ventures; that he lost some \$29,000 on chattel loans.

“Q. You considered it, in other words, a loan to you?

A. Yes.

Q. You are telling the court that those were merely loans to yourself personally?

A. That is the way we understood it at the time.

Q. Why did not you give notes then?

A. I did in many cases.” (Trans. 13-14.)

That he had carried on his own business transactions in this manner for a great number of years; that he never represented he was acting as agent for other parties; that the people to whom he made loans understood that they were dealing with the bankrupt alone.

At the close of this testimony, there being no rebuttal, the bankrupt renewed the motion for discharge, which was, by the Court, denied. (Trans. 14-19.)

Thereafter, on the 8th day of May, 1924, the Court did enter a formal order denying a discharge to the bankrupt, reciting in part:

“And the court having heard the evidence in said cause, and finding that the objections to the discharge on the part of two of said creditors only, namely Anna J. Helms and Elizabeth Keelan, were well taken, said objections were by the Court sustained, * * * ”

(Trans. 20-21.)

SPECIFICATIONS OF ERROR

I.

That the Court erred in denying the bankrupt

his final discharge from any and/or all debts and claims which are made provable by said Act of Bankruptcy against his estate and which existed on the 25th day of May, 1921, on which day the petition for adjudication was filed.

II.

Because said order or decree denies to the bankrupt his discharge in bankruptcy as sought.

III.

Because said decree or order denies to the bankrupt his discharge for causes not specified in Section 14, Sub-Division "b" of the Bankruptcy Act, as amended in 1910.

IV.

Because said order or decree denies to the bankrupt his discharge based upon Section 17 of said Act.

V.

Because said order or decree denies his discharge only because of a receipt, the body of which, omitting names, dates and amounts, is as follows:

“Received from.....,
Dollars for loan purposes,
 to be loaned and returned six months from

date, plus interest at 10% per annum.”

and all testimony in the case shows that said transactions were direct loans to the bankrupt and said receipt is not such character of instrument in writing as is contemplated by the Bankruptcy Act, to constitute a materially false statement in writing, and the bankrupt did not obtain money or property or credit upon any materially false statement in writing made by him to either of said objecting creditors.

VI.

Because the Court should have granted the bankrupt's motion for discharge at the close of the case of the objecting creditors, and granted bankrupt's motion for non-suit therein.

VII.

Because said order or decree denies to the bankrupt his discharge as to all debts of every nature and description made provable by said Act against his estate which existed on the 25th day of May, 1921, although the objections filed were sustained as to but two creditors only.

ARGUMENT

As stipulated in the agreed statement under Equity Rule No. 77, at page 7 of the Transcript of Record, *the only question upon this appeal is whether the Helms and Keelan receipts legally jus-*

tify refusal of discharge under Section 14 in Sub-Division "b" of the Bankruptcy Act as amended in 1910.

Specifications of error I to VI inclusive fall under one heading and, to facilitate the argument, will be discussed as one, insasmuch as they each deal with the refusal to discharge the bankrupt because of the receipts herein involved—that is, the objection made here is that the bankrupt obtained money or property on credit upon a materially false statement in writing made by him to either said Helms or Keelan for the purpose of obtaining credit from such person or persons.

Section 14, Sub-Division "b" of the Bankruptcy Act, as amended in 1910 (Comp. St. 9598) is as follows:

“The judge shall hear the application for a discharge and such proofs and pleas as may be made in opposition thereto, by the trustee or other parties in interest, at such time as will give the trustee or parties in interest a reasonable opportunity to be fully heard, and investigate the merits of the application and discharge the applicant unless he has (1) committed an offense punishable by imprisonment as herein provided; or (2) with intent to conceal his financial condition, destroyed, concealed, or

failed to keep books of account or records from which such condition might be ascertained; or (3) obtained money or property on credit upon a materially false statement in writing, made by him to any person or his representative for the purpose of obtaining credit from such person; or (4) at any time subsequent to the first day of the four months immediately preceding the filing of the petition transferred, removed, destroyed, or concealed, or permitted to be removed, destroyed, or concealed, any of his property, with intent to hinder, delay, or defraud his creditors (5) in voluntary proceedings been granted a discharge in bankruptcy within six years; or (6) in the course of the proceedings in bankruptcy refused to obey any lawful order of, or to answer any material question approved by the court: Provided, That a trustee shall not interpose objections to a bankrupt's discharge until he shall be authorized so to do at a meeting of creditors called for that purpose."

Subdivision 3 of said paragraph "b" was not in the original Act, but added by the amendment of 1910, so that the only objection to discharge is that now found under sub-division 3,—that is:

"Obtained money or property on credit upon a materially false statement in writing, made by him to any person or his representative for

the purpose of obtaining credit from such person;”

The receipts upon which it is claimed credit was obtained in this case are not the statements referred to in the Act, such as to prevent a discharge. It may be true that upon the bankrupt being discharged, the debt evidenced by those receipts will not be affected by the discharge under Section 17, subdivisions 2 and/or 4.

Section 17 is as follows:

“A discharge in bankruptcy shall release a bankrupt from all of his provable debts, except such as (2) are liabilities for obtaining property by false pretenses or false representations ; or (4) were created by his fraud, embezzlement, mis-appropriation, or defalcation while acting as an officer or in any fiduciary capacity.”

Hence there must be kept in mind the distinction between Section 17 governing *debts not affected by discharge*, and Section 14-b, governing the *causes which prevent a discharge*. The fact that certain debts are not affected by a discharge, shows upon the face of the statute that the mere fact of such debts existing, does not prevent the discharge. The discharge can be denied only for those causes set forth in the statute under Section 14-b. This statute must be strictly construed in favor of

the bankrupt. Hence, the fact, if it be a fact, that the receipts in evidence here were used by the bankrupt as a false pretense and a false representation in obtaining credit, or that as agent he embezzled or misappropriated the money to his own use, would not and will not bar the discharge.

As heretofore stated, the receipts and the writing therein contained are not the "Materially false statement in writing" referred to in Section 14-b.

A FALSE STATEMENT ON WHICH A BANKRUPT OBTAINS MONEY OR PROPERTY ON CREDIT WHICH WILL BAR HIS DISCHARGE UNDER SECTION 14 B, SUBDIVISION 3 MUST BE A "*FINANCIAL STATEMENT*" AS DISTINGUISHED FROM A MERE REPRESENTATION.

In re Morgan, 267 Fed. 959;

In re Lundberg, 272 Fed. 107;

In re Robinson, 266 Fed. 970;

In re Hudson, 262 Fed. 778;

In re Rea Bros., 251 Fed. 431;

In re Tanner, 192 Fed. 572.

In the *Morgan* case, *supra*, stock was sold upon a prospectus which was false, and the following receipt given:

"No. 17 Subscription Receipt 30 Shares
 "Iowa Securities Corporation
 Incorporated under the laws of the State of
 New York

The undersigned hereby acknowledges receipt from Mrs. Mary E. Wilson of the sum of \$3300.00 in full payment for subscription to thirty shares of the fully paid 6% cumulative preferred capital stock of the Iowa Securities Corporation.

After engraved stock certificates have been prepared, the holder of this receipt, upon surrender hereof, duly endorsed, at the office of the undersigned will be entitled to receive a certificate for the said preferred stock and a certificate for three shares of the fully paid common stock of the said corporation for every ten shares of preferred stock represented by this certificate.

Dated February 13, 1917,

Morgan, Truett & Company, Organization Managers, 40 Wall Street, New York City.

(Signed) Morgan, Truett & Company,

By E. P. Truett."

The false statement was a false statement in the representation of the ownership of the underlying securities, and the promise by the organization managers to deliver stock in the future, which was not owned, and which representation was false.

Said the Court (Circuit Court of Appeals Second Circuit, 1920):

“The argument of the appellee (objecting creditors) seems to be that the bankrupts obtained money upon the statement referred to; that they thereby obtained credit, and thereafter they obtained the money on credit upon the statement. But the language of the statute limits the refusal to discharge to obtaining money or property on credit upon a materially false statement in writing by him to any person or his representative for the purpose of obtaining credit from such person. It is plain that the intent of Congress was not to extend the statute to all cases of false written statements where credit happens to be given, and the thought being to confine the statute to cases where the decision to give credit was induced by the false statement. *Such statement must be a financial statement, as distinguished from a mere misrepresentation.*

“A debt fraudulently contracted by the bankrupt will not be released by his discharge. Therefore the debts in question, which the court below found were contracted fraudulently may fall within this provision of the Act. *Congress however, never intended to refuse a bankrupt his release from all his debts because he had contracted one or more fraudulently.*

“A discharge in bankruptcy is refused when

the bankrupt has made false written statements as to his *financial* standing and thereby obtained money or property from any one relying on the statement * * * *

* * * * We think Congress intended that the bankrupt should be discharged unless the statutory grounds of objection to the discharge are made out clearly.”

The *Lundberg* case, *supra*, is from the Circuit Court of Appeals, Seventh Circuit, and holds that the false statement in writing must be a *financial statement*.

In that case the bankrupt made a false oath in his schedule, denying the ownership of certain property. The objecting creditor obtained a judgment and had a lien upon the property. The objection to discharge was because the bankrupt obtained from said judgment creditor the sum of \$950.00 by giving a purported renewal judgment note for \$800.00, upon which was written the words, ‘being a lien on lots (to which false oath was taken he did not own).’ The cause was reversed on appeal and the bankrupt discharged.

The *Robinson* case, *supra*, is from the First Circuit. Said the Court, in considering the history of the Act:

“Legislative history of the amendment of 1910 to the Bankruptcy Act, by which Section

14 b (3) (Comp. St., Section 9598) was inserted in its present form, shows that Congress had in mind by a ‘materially false statement in writing’ the *statement of the debtor’s financial condition* which he might make for the purpose of obtaining money or property upon credit. * * * *

A discharge should not be denied the bankrupt, unless for reasons specifically stated in the Act, and the statute should not be extended by construction.’

In that case the bankrupt drew a check upon a bank in which his account was overdrawn, obtaining money upon the check, and the discharge was by the District Court denied. The cause is reversed, the Court holding that the giving of the check upon a bank in which the account of the maker was overdrawn did not constitute a “materially false statement in writing,” as contemplated by the Act, and the discharge should not be denied.

Said the Court:

‘If the bankrupt had made an oral statement at the time the check was given that it was good or would be paid when presented, or that his account was overdrawn but that he had made arrangements with the bank on which it was drawn by which it would be paid, none of these oral statements would have been a bar to his discharge.

“We think it was the evident design of Congress to confine the objecting creditor to the limits of a specific statement in writing made by the bankrupt and that such statement cannot be extended beyond the fair and necessary meaning * * * * ”

In the *Hudson* case, *supra*, the bankrupt obtained money on a note secured by a mortgage on a particularly described automobile. The bankrupt owned no such automobile. This was held *not* a ground to refuse a discharge under Section 4 b (3), that is, the discharge was granted, but the discharge of the bankrupt would not release the debt under Section 17, paragraph 2.

Said the Court:

“Congress would scarcely have provided that a debt or liability created by a given state of facts should be ground for objecting to a discharge and at the same time have excepted the debt so created from the discharge when granted. It is manifest that these two provisions, if so construed, would be inconsistent because, if an obligation so created was excepted from the discharge when granted, it could hardly be a ground for objecting to the granting of a discharge, which would not cancel or release such debt or liability.”

The Court holds that while

An "analysis" of these facts presented by the situation in the instant case was 'that technically they do literally come within the provisions of sub-section 3' "; yet

" * * * * what Congress intended to do was to except from the effect of the discharge one class of debts or obligations created by obtaining property under false pretenses or false representations, as these words are used in the various statutes of the various states, making this state of facts a crime, and that the words used in Sub-section 3 of Section 14 were intended to be limited to such dealings between merchants or individuals *where a written statement of facts was made by the borrower as a basis of credit*, as ordinarily understood in mercantile dealings and that the language they have used when given its ordinary meaning, does just what Congress intended."

In the *Rea Bros.* case, *supra*, it was held that a check drawn on a bank in which the drawer had no funds but upon which he obtained the cash was not a "false representation in writing" under Section 14 b (3); this notwithstanding the fact that the Court expressly found that "the bankrupts purchased sheep, to be paid by check on delivery, which was done. They knew they had neither money nor credit on the bank of the check and it was dis-

honored when presented in due course.”

‘It is believed Congress by a ‘false statement’ altogether different in phrasology from, and importing false representations and more, intends the *financial statements* well known in the commercial *world*, setting out assets and liabilities, disclosing net worth and made to mercantile agencies and others, expressly as a basis for credit. In law statement generally means more than representations in that it deals with particulars or facts from which totals and conclusions may be computed rather than deals with mere totals or conclusions. The check is a false representation that the maker had sufficient money on deposit or had otherwise arranged so that the check would be paid on presentation but is not a ‘false statement’ within Section 14 as herein defined.”

In the *Tanner* case, *supra*, Judge Rudkin held that the obtaining of a surety bond by a bankrupt by means of a materially false statement in writing covering his assets and liabilities was not the obtaining of property, and further quoting from *Firestone vs. Harvey*, 174 Fed. 574, says:

“This ground for denying a discharge was evidently leveled particularly at the practice of making false statements of one’s *financial condition* * * * *.”

Collier, in his work on Bankruptcy, twelfth edition, at page 387, Volume I, discusses the matter with like result.

See also *Arnold vs. Smith*, 163 Northwestern 673, which shows that a discharge, if there was fraud, would not affect the debt here involved, as it could not be released under Section 17 Sub-division 2 or 4.

If a bankrupt obtains money upon a note secured by a mortgage and he does not own the property; if he obtains money upon a check drawn upon a bank in which he has no funds, or in which he knows his account is overdrawn; if he sells stock on a false prospectus and gives a receipt when he cannot deliver the stock sold, either in the future or at any other time, because of want of ownership; if none of these in the cases cited above constitutes "a materially false statement in writing," how can it be said that the receipts in this case fall under Section 14 b (3)? They are in no sense a financial statement of the condition of the bankrupt, nor do they show the status of his affairs. And these cases hold that any oral statements made at the time, even regarding his financial affairs, are immaterial touching the question of discharge, because the statute limits the objection to written, as distinguished from oral, statements.

Of course this argument is based upon the prop-

osition that the receipt is not ambiguous, and the widest latitude given to the testimony of the objecting creditors; that is, it assumes that credit was obtained upon these receipts, or money had thereunder, where the bankrupt had in his mind a knowing intent to deceive and where the lender was deceived. The negative of this proposition we will later discuss, but we contend here that in no sense do the receipts come under Section 14 b (3), but only, if at all, under Section 17-2-4, and no matter if the debts thus created will not be released, yet the Court cannot refuse a discharge to the bankrupt.

Let us look for a moment at that purpose of the Act:

“A discharge is granted to an honest bankrupt in order that he may reinstate himself in the business world; it is refused to a dishonest bankrupt as a punishment for his fraud and to prevent its continuance in the future. Where a bankrupt has been brought into Court at the instance of his creditors, and all his property is being applied to the payment of his debts, he has paid the price of the discharge, and must be afforded the relief which he asks, unless he has been guilty of conduct, which, *under the Act*, deprives him of such relief.”

Collier, Twelfth Edition, Vol. 1, page 34;

In re Hammerstein, 189 Fed. 37;
Barton Bros. vs. Produce Co., 136 Fed. 355;
Herdie vs. Swafford etc., 165 Fed. 588;
Williams vs. U. S. Fidelity Co., 236 U. S.
 549; 59 L. Ed. 713;
In re Oliner, 262 Fed. 734 (CCA);
In re Wood, 283 Fed. 565.

In the *Oliner* case, *supra*, the bankrupt obtained trust funds for transmission and deposited to his own account. The court held that "any tendency to make the Bankruptcy Act unduly harsh is to be avoided" and while the bankrupt might be punished under the State law, his discharge could not be refused.

In the *Wood* case, *supra*, it was held that the conversion by a bankrupt to his own use of goods consigned to him was no ground to refuse a discharge.

It cannot be contended that these receipts, in any sense, constitute a "financial statement." They were not made to a mercantile agency. No statement of assets and liabilities was required. Taking the strongest view against the bankrupt, as did the trial Court, these receipts were used and by their terms constituted the bankrupt the agent of the loanor.

"The money was given for a specific purpose. It was for loan purposes * * * *. He

has not placed it into a general fund useful for a general purpose; and when he failed to do that, he violated a trust that was impliedly created, at least by these receipts.” (Neterer, J. Trans. 15.)

Mr. Rummens: “Was it fraud or misappropriation?”

The Court: “A misappropriation. He received money upon an implied understanding that a certain thing was to be done and it was not done.” (T. 17.)

Clearly, that was not obtaining money or property on credit upon a materially false statement in writing, under Section 14, Sub-division 3, but if, as the District Court held, a relation other than debtor and creditor was raised, to-wit: principal and agent, and the money was “Misappropriated,” then that situation falls squarely under Section 17, Sub-division 4:

“Or (4) were created by his fraud, embezzlement, misappropriation or defalcation while acting as an officer or agent in *any fiduciary capacity.*”

However, notwithstanding the statement of the Trial Judge, the testimony of the bankrupt and the books, uncontradicted, demonstrate that this money actually went into chattel loans. There was no misappropriation. The certain thing to be done was done.

On the assumption of "misappropriation" the debt itself may not be released but the discharge must be granted.

Says the District Court in the formal opinion:

"I am satisfied from all of the testimony that the receipt or memorandum executed did not truthfully state the conditions upon which the money was paid to the bankrupt * * * *. The money was obtained by the bankrupt upon the receipt as the inducing cause which did not state the fact." (Trans. 19.)

Again, this is not the false statement warranting a refusal to discharge as shown by the above authorities but, if true, falls under Section 17, Sub-division 2:

"Liabilities for obtaining property by false pretenses or false representations * * * *."

Strictly speaking, no money whatsoever was obtained upon these receipts but the receipts given in exchange for the money. The receipts were not made a financial statement as a basis of credit. They were simply the instrument employed to evidence the debt.

This argument has been based strictly upon the receipts themselves, excluding, for the moment, the testimony of the parties involved. Assuming that such testimony was admissible, which may be doubted under the above decisions, we will discuss that at a later point.

Now, assuming that we err in our argument and that the receipts do fall within Section 14 b (3), then the rule is:

That the written statement made for the purpose of obtaining credit shall be knowingly and intentionally untrue in order to constitute a bar to the bankrupt's discharge; the bankrupt here must have intended to deceive at the outset.

3 R. C. L., page 311;

7 C. J. 377;

Franklin vs. Monning Dry Goods Co., 217 Fed. 929 (CCA);

Doyle vs. First National Bank of Baltimore, 231 Fed. 649 (CCA);

In re Kemp, 255 Fed. 125;

In re Goldberg, 256 Fed. 541;

In re Rosenfeld, 262 Fed. 876 (CCA);

In re Lundberg, 272 Fed. 107 (CCA);

W. S. Peck Co. vs. Lowenbein, 178 Fed. 178;

In re Stafford, 226 Fed. 127;

In re Collins, 157 Fed. 120;

In re Pfaffinger, 154 Fed. 528;

In re Cooper Grocery Co. vs. Gaddy, 141 Southwestern 825;

Hamilton vs. J. M. Radford Grocery Co., 182 Southwestern 716;

Allen-Wilms Jewelry Co. vs. Osborne, 231 Fed. 907;

In re Kenner, 250 Fed.993;

In re Troutman, 251 Fed. 930.

The rule is stated in the *Lundberg* case, *supra*, as follows:

“But the law also is that, to bring the statement within that section it must have been intentionally and knowingly false and coupled with an intention to deceive.”

In the *Rosenfeld* case, *supra*, it is stated:

“The Bankruptcy Act is very liberal toward the bankrupt as to his discharge; and the Act in so far as it relates to his discharge is to be given a strict construction in favor of the bankrupt. The purpose of the Act is to release honest debtors from the burden of their debts.

“The question then arises as to what is meant by a false statement. Does the word ‘false’ mean simply untrue, or does it mean wilfully and intentionally untrue? The answer is that the word as used in this connection means *designedly* untrue.”

In the *Goldberg* case, *supra*, it is stated:

“It is, of course, well settled that the statement must not only be false and material, but must be intentionally false, made with intent to deceive.”

In the *Franklin* case, *supra*, where the discharge was denied and reversed on appeal, the court said:

“This section * * * * is intended for the beneficent purpose of discharging the honest bankrupt from the burden of his debts and thus allow him to begin his life anew * * * * This discharge is to be denied only when he is guilty of some one or more of the prohibited Acts * * * * It is not within the spirit of the objection that ‘false’ as used in the Act means simply ‘untrue’.”

This cause accepts the definition found in “Words and Phrases” as follows:

“‘false’ means that which is not true, coupled with a lying intent.”

It also accepts the definition of Collier:

“Intent to deceive is always material as an element of proof and by the weight of authority it is essential to prove such intent.”

So the Court concludes:

“We therefore have reached the conclusion that the word ‘false’ as used in clause 3 of Section 14 b of the Bankruptcy Act, means more than untrue, erroneous, or mistaken, but means ‘false’ in the sense that it is ‘*intentionally untrue*’.”

This rule was followed in the *Doyle* case, *supra*, where it is said:

“The decisions are in substantial harmony in holding that the bar to a discharge by reason

of a false statement in writing is confined to such person or persons as actually make such statement with the *intent to deceive.*”

The above rule of law should be borne in mind in considering the question of burden of proof.

The burden of proof was upon the objecting creditors to establish their objections by clear and convincing evidence.

In re Troutman and Jesse, 251 Fed. 930;
2 Loveland on Bankruptcy (Fourth Edition,
Sec. 736);

Collier on Bankruptcy, Twelfth Edition, Vol.
1, page 362;

In re Kolster, 146 Fed. 138;

In re Walder, 152 Fed. 489;

In re Wix, 236 Fed. 262; 240 Fed. 692;

In re Lally, 25 Fed. 358;

In re Garrison, 149 Fed. 178;

Hardie vs. Swafford etc., 165 Fed. 588;

In re Cohen, 206 Fed. 457;

In re Miller, 212 Fed. 920;

Poff vs. Adams, 226 Fed. 187;

In re Main, 205 Fed. 421;

In re Johnson, 215 Fed. 748;

In re Shrimmer, 228 Fed. 794;

In re Haimowich, 232 Fed. 378;

Shemberg vs. Hoffman, 236 Fed. 343;

In re Braun, 239 Fed. 113;

In re Garrity, 247 Fed. 310;

Horner vs. Hammer, 249 Fed. 134;

In re Spiropolis, 292 Fed. 745.

In the *Troutman* case, *supra*, the syllabi is as follows:

“A creditor objecting to discharge on the ground that the bankrupt obtained credit on a false financial statement, has the burden of establishing that fact by clear and convincing evidence and unless the burden is met, discharge should not be denied.”

Loveland states the rule:

“The burden of proof is on the objecting creditor to establish by clear and convincing evidence his objection.”

Collier says:

“Proof must be strict and convincing, but not necessarily to the limit required in proving a crime * * * * The burden of proof is upon the opposing creditor * * * * .

“It is not necessary that the alleged ground for refusing a discharge be proved beyond a reasonable doubt, as in the case of the trial of a criminal offense, although the conscience of the Court should be satisfied by clear and convincing testimony that the bankrupt is not entitled to a discharge.”

In the *Kolster* case, *supra*, it is said:

“The most that can be said is that the cir-

cumstances 'look suspicious.' This is not enough.

Mere conjecture or surmise is not sufficient."

The case holds that the proof must be inconsistent with honesty and fair dealing.

In the *Walder* case, *supra*, the Court said:

"The burden of proof to sustain the alleged specifications is upon the creditors that filed the same, and that burden never shifts."

In the *Wix* case, *supra*, the Court says:

"The discharge is a very great privilege and right * * * *. The burden rests upon the creditors objecting * * * *."

In the *Lally* case, *supra*, we find this language:

"* * * * The evidence must be clear, convincing and satisfactory. It is not enough that strong suspicion is created by the testimony. The inference must be such as to carry conviction."

Applying the above rules to the facts in this case, how can it be said that the bankrupt at the time the loan was obtained had the wilful intent to
NINE brf MB 8-5

then deceive and did not intend to make the loans or pay back the money borrowed? This is particularly true when there is borne in mind the fact that the bankrupt turned over to his assignees property he believed of a then value of \$140,000.

Under the testimony of the bankrupt, this was a direct loan and nothing else. There is no dispute

but that he was in the loan business and he testifies that as a matter of fact this money went into chattel loans wherein he lost twenty-nine thousand dollars. But for that loss, the money would have been repaid; but for that loss, connected with his other losses, he would not have been bankrupt. As a matter of fact if the assignees had been permitted opportunity to work out the assets turned over to them there would have been no bankruptcy forced upon appellant.

The objecting creditors frankly admit, on direct examination, that the money was a "loan" to the bankrupt. However, they assert that they would not have loaned him the money if they had known he was going to use it in his personal business.

There is no evidence that he did use it in his personal business. These creditors had access to the books of the bankrupt and had such access for a period of three years. The books were in court. They showed that this money went into chattel loans.

It is true the bankrupt considered that the loan was made to him and that he could use it as he saw fit, but he was in the chattel loan business and was borrowing money to use in the chattel loan business. That is where this money was used and there is no evidence to the contrary, except the statement of Mrs. Helm, contradicted by the bankrupt and by

the books, that he stated to her he had used it personally. From his standpoint and understanding he could have used it personally but did not. The giving of these receipts in this form was the idea of the bankrupt. It is not denied but that Mrs. Helms requested a promissory note rather than a receipt, but at the suggestion of the bankrupt, took a receipt. Unquestionably, if there had been delivered to her the piece of paper which she requested, to-wit: a promissory note, and the very fact of that request demonstrates that she considered it a straight loan, there could have been no question of the right of the bankrupt to discharge because the controversy would not have arisen; but he gave receipts, and the creditor now takes the position that he was to loan the money for her—in other words, that a trust was established and that the bankrupt violated the same.

If this be so, what was the consideration moving to the bankrupt from the principal? The bankrupt was paying interest upon this money at the rate of 10%. The maximum rate of interest in this District is 12%. While the money was loaned for a six months' period, the bankrupt agreed to repay the same at any time upon two weeks' notice in advance. The thousand dollar loans were changed into five hundred dollar receipts coming due at different times so he might the more readily repay. She knew he could not loan her money on any such

basis. How can it be contended that the bankrupt could use this money upon chattel loans, wherein he would subject it to such termination, unless it was considered a straight loan to himself?

Again, the creditor does not claim that the money was to be loaned in her name; that she ever inquired as to what security was taken, its form, substance or nature; that she ever asked to see a single paper or document; that she ever made any inquiry whatsoever as to any loan, except that after loaning Six Thousand Dollars she claims she was very careful to see that a Three Hundred Dollar loan was made upon a house boat. The very substance of her testimony upon the latter proposition weakens her testimony upon the former.

Then, where in this record have the objecting creditors sustained the burden of proof that was upon them? The testimony of the bankrupt is consistent with honesty and fair dealing. We contend that the circumstances did not "look suspicious"; even so, under the above authority, "mere conjecture or surmise is not sufficient."

It must also be borne in mind it is undisputed that these receipts were the customary form that the bankrupt used in his business dealings over a long term of years and that he considered them a straightforward transaction and a satisfactory method of handling the business. This of itself is of

some importance.

In the case of "*In re Goldberg*," 256 Fed. 541, the Court says in a case where a statement upon which credit was obtained was false: "It is settled that intentional dishonesty is a necessary element * * * *." The case holds that the presumption from the false writings themselves is not conclusive and is rebuttable by the fact that such means employed was the ordinary custom of the bankrupt in his business and material in showing lack of intent to deceive.

The fact that certain of the creditors who originally opposed the discharge have abandoned their position is likewise entitled to consideration by the Court if there is doubt as to the bankrupt's guilt. (7 Corpus Juris 792.)

The record in this case shows that the principal objecting creditor, Mrs. Helms, prosecuted the bankrupt in the State Courts upon a criminal complaint in this same matter and the jury found him not guilty.

Under the facts and circumstances, is there not every reason to doubt the guilt of the bankrupt? Can it be said that there is evidence clear and convincing that shows that necessary intent to deceive; that shows the receipt to have been intentionally untrue; that shows the act of the bankrupt to have been designedly false; that shows the wicked heart

necessary to convict in such a case?

The Trial Judge should have granted the motion of the bankrupt for a non-suit and thereupon entered an order of discharge at the close of the case of the objecting creditors, because there was no testimony at that time in the record going beyond the face of the receipts or any showing whatsoever that a financial statement had been made, or that the receipt was a materially false statement in writing and money or property obtained upon it.

If there could have been any doubt in the mind of the Trial Judge at that stage of the case, it must have been removed by the uncontradicted testimony of the bankrupt, supported by his books showing that the money was actually lost in chattel loans; but over and beyond that, as between the parties themselves, it was considered a loan—no more and no less—and the objecting creditors so considered it, because they desired promissory notes in the place of the form receipts.

As a matter of law the Court should have held that the receipts did not fall under Section 14, and it was not required to pass upon whether or not the debts thereby created would or would not be discharged under Section 17.

In the absence of fraudulent intent, all the money having been used in the loan business, even though it may have been accepted as a trust as

assumed by the Trial Judge inasmuch as the terms of the trust were carried out, how can there be liability, either civil or criminal, on the part of the agent?

We submit that when there is borne in mind the beneficent purposes of the Bankruptcy Act; when a great majority of the creditors, both in numbers and in amount, are seeking the discharge of the bankrupt; when there is kept in mind the great distinction existing between the right to a discharge under Section 14 b, as distinguished from those debts not released in bankruptcy under Section 17-2-4, the discharge must be granted in this case, and the question of the release of the particular debts here involved left for future consideration, as by the Acts provided.

If, on the other hand, it be determined that the statement involved is not of necessity a financial statement, and that by a wide latitude of construction under Section 17-b and contrary to all of the decided cases these receipts are such as are contemplated by the section, and the discharge may be refused, then we submit that the objecting creditors have not sustained the burden of proof by clear and convincing evidence that there was the designedly false and fraudulent intent necessary to defeat the right of the bankrupt to his discharge.

SPECIFICATION 7.

If we err in our conclusion that the bankrupt is entitled to his discharge, and this court hold with the District Court that the objections were well taken, we are then met with this situation:

Creditors with claims aggregating \$72,950.35 desire that the bankrupt be discharged. The greater portion thereof have specifically petitioned and joined in the application for discharge. Because of the existence of the claims of two creditors, in an amount of \$4,190.00, a discharge is denied.

Let it be assumed for the sake of argument that our position is wrong in the original Specifications of Error, and a discharge should be refused the bankrupt as to the debts of these two objecting creditors; but should the other creditors, with claims aggregating thousands of dollars be likewise penalized, simply because these two have asserted a claimed technical right? For, not only is the bankrupt penalized, but there is likewise penalized all the creditors who seek his discharge, because, in refusing same to the bankrupt, any hope they may have in the future, of obtaining from the debtor that which is due as a moral obligation, is destroyed forever.

It could not have been the intention of Congress to thus indirectly destroy both the legal and moral right of the creditors otherwise affected.

Surely no reason can be found in the Act as to why the discharge should not be limited as well as general. The opinion (Trans. 19) cites but one case to the contrary *in re Miller*, 192 Fed. 730, and while that case and those upon which it relies has taken a contrary position, we submit it has overlooked the harm resultant to the parties whom the Act intends to protect, as well as the bankrupt. A limited discharge might be denied a voluntary bankrupt but should the same rule apply to one whose act is involuntary?

If our conclusions be wrong, then if this bankrupt had failed with liabilities of \$10,000,000, without sufficient assets to meet them, and every transaction had been without the statute, except he had obtained \$10.00, or 10c, on a receipt such as is here involved, the discharge would be denied, which, to us, goes back to the provision that the District Court misconceived the distinction between Sections 14-b and 17 and that the case at bar falls, if anywhere, under Section 17-2 or 4.

As the cases we have cited point out, it was not the intention of Congress and is not the intention of the law to deny a discharge to a bankrupt simply because certain of his debts have been fraudulently contracted. It was the intent to prevent the discharge of such debts. As the matter works out in human experience, and in business dealings, it is

better for the very creditors who may have been defrauded that the bankrupt, having lost all his gains, if any, and perchance his reputation as well, should go forth with the opportunity of making an honest living and paying such debts. If they are not released, they are still collectible from the bankrupt when he again enters a gainful occupation. If he be denied his discharge, then not only those creditors, but those others to whom the moral obligation still remains to pay an honest debt, will never be paid, because the refusal of a discharge is a life sentence removing a man from all possibility of ever again rehabilitating himself, and bars him from the opportunity of earning a livelihood.

We submit that under the Act, as construed by the above decisions, under the facts in this case, and in equity and good conscience, the bankrupt should be granted a discharge, as prayed.

GEO. H. RUMMENS,
TRACY E. GRIFFIN,
Attorneys for the Bankrupt.

In the
United States Circuit Court
of Appeals 3
For the Ninth Circuit

In the Matter of GEORGE E. TILTON, Bankrupt.

GEORGE E. TILTON, Appellant

vs.

ANNA J. HELMS, ELIABETH KEELAN, MAGDA
 OLSON, REBECCA S. KNIGHT, R. BLIX,
 FRANCES BLIX, CHRISTINA WADMAN, J. J.
 MIDDAL, J. STARUP, ANNA C. ADAMS, JESSIE
 HUMPHREY, ALICE SAXON and RUTH SAXON,
Appellees

Upon Appeal from the United States District Court for the
 Western District of Washington, Northern Division

Brief of Appellees

Filed

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STATEMENT OF THE CASE

Appellant in his statement of the case has included nothing which appellees care to controvert; he has, however, omitted one fact which has at least

as much bearing on the case as his statement that he delivered to his assignees property of an estimated value of approximately one hundred forty thousand dollars. This fact is that his estate was appraised at approximately fifty-nine thousand dollars.

ARGUMENT

The only question upon this appeal is whether section 14, sub "b" of the bankruptcy act, under the facts in this case, as passed upon by the trial judge justify the refusal of the bankrupt's general discharge.

The trial judge held that the receipt given to Mr. Blix was insufficient to prevent this discharge, that receipt and the evidence regarding it may therefore be disregarded.

He did hold, however, that under the testimony receipts of which the following is a copy, changing only dates, amounts and names, brought the case within the statute:

“20 October, 1920.

“Received from Anna J. Helms, Five Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at rate of 10% per annum.

“\$500.00

“G. E. TILTON.”

A better consideration of the case may be had by reciting at this point the exact words of the trial judge in his oral opinion and the remarks of appellant's counsel:

“. . . . As to these two parties who testified, Mrs. Helms and Miss Keelan, the discharge will be denied. As to whether the discharge (this is evidently a misprint for “order”) should be general, I am not conclusive; I have not thought about it any further. If you desire to submit anything on that I would—

“MR. EMORY (Counsel for objecting creditors): I will be glad to submit authorities.

“MR. RUMMEN (Counsel for appellant): I am afraid one five-cent bill would deny a million dollar discharge.”

Transcript of Record, pp. 16-17.

We quote farther from the record the formal findings and decisions of the trial judge:

“At the conclusion of the hearing the court announced its findings upon the facts, and held that the objections to the discharge on the part of two of the creditors, Anna J. Helms and Elizabeth Keelan, were sustained. The matter was continued to determine whether the denial of discharge extended to all of bankrupt’s debts. Authorities have been submitted by the objecting creditors and a voluminous brief presented and authorities cited, by the bankrupt, upon inefficiency of the proof to sustain the charge.

“Without reviewing the issue of fact *in extenso*, reflection upon the testimony and record submitted does not change the conclusion announced at the closing of the trial. I am satisfied from all of the testimony that the receipt of memoranda executed did not truthfully state the conditions upon which the money was paid to the bankrupt. [16.] The bankrupt in his testimony, as I understand it in substance, stated that in some conversation with some of the creditors he did say that the receipt did not clearly state the conditions of the loan. A rational human being is presumed to intend the natural and probable consequences of his words and

conduct. The money was obtained by the bankrupt upon the receipt as the inducing cause, which did not state the fact. So concluding upon the facts, the objections to discharge will be sustained.

“In re Miller, 192 Fed. 730.

“NETERER,
“U. S. District Judge.”

Appellant relies here, as he did below, upon certain *obiter dicta* contained in the decisions he has cited, which read into the law the word “FINANCIAL” and give to that word a technical definition.

In no one of these cases was the direct question before the court, whether this word should be so read into the statute with the meaning which has been given to it by commercial agencies.

The language of the statute is plain and hardly needs judicial construction:

“The judge shall hear the application for a discharge and such proofs and pleas as may be made in opposition thereto, by the trustee or other parties in interest, at such time as will give the trustee or parties in interest a reasonable opportunity to be fully heard, and investigate the merits

of the application and discharge the applicant unless he has (3) obtained money or property on credit upon a materially false statement in writing, made by him to any person or his representative for the purpose of obtaining credit from such person;”

There is nothing in this language to justify a construction such as is given in the opinion quoted by appellant from *In re Morgan*, 267 Fed. Rep. 959: “It is plain that the intent of congress was not to extend the statute to all cases of false written statements where credit happens to be given, and the thought being to confine the statute to cases where the decision to give credit was induced by the false statement. Such statement must be a financial statement as distinguished from a mere misrepresentation.”

This dictum was repeated in the *Lundberg* case, cited by appellant; but the facts in the *Lundberg* case are in no sense parallel with the facts here, and they did not require for the decision of the case the principle announced by the dictum.

In the *Robinson* case cited by appellant the court of appeals in commenting upon the record drew attention to the fact that the referee and the district court disagreed upon this very proposition now under consideration. The referee held as is contended by appellant here, that the statement must be a FINANCIAL statement, the district judge

holding that it need not be provided it was a false statement in writing given for the purpose of obtaining credit of money or goods and upon which credit was actually obtained. The circuit court says:

“We agree with the learned district judge that a ‘materially false statement in writing’ cannot be a STATEMENT OF HIS FINANCIAL CONDITION, and that it may include any statement confined to a FINANCIAL statement made by ‘materially false statement in writing’ made by the bankrupt for the purpose of obtaining money or property on credit and by which such money or property is obtained.”

The case was decided by the circuit court of appeals upon an entirely different question.

In re Robinson, 266 Fed. Rep. 970.

The *Hudson* case, cited by appellant, concedes that the facts given in that case bring it technically and literally within the law.

The court, a district court, then proceeds to quote this dictum of the necessity of its being a FINANCIAL statement, but seems to rely principally upon the inconsistency of section 14-b and section 17-2 of the bankruptcy act, a point which we shall hereafter notice.

Rea Bros. case cited by appellant was the case of a check given where there were no funds. This class of cases will also be referred to in discussing another phase of this appeal.

In the *Tanner* case, cited by appellant, there was just the kind of FINANCIAL statement which appellant seems to delight in referring to, it was a statement of the bankrupt's FINANCIAL CONDITION, it was found to be false. Judge Rudkin in his opinion quoted this dictum, why we cannot see, but he based his decision upon the ground that procuring a bonding company to indemnify the bankrupt by means of this statement was not obtaining money or property.

The testimony of Anna J. Helms shows:

That on March 10, 1919, she gave the bankrupt \$1,000; that he had been represented to her as a loan agent and that he told her he loaned money and always loaned it out on good security, taking only one-third of the value, with interest at 10 per cent; that he said he was always careful to look over his loans; that the bankrupt gave her a receipt for \$1,000; that altogether in 1919 she loaned the bankrupt \$6,000; that during that time she drew out \$2,000, leaving \$4,300 that was not returned.

“Q. You really loaned him altogether a total of \$6,300?

“A. Yes, sir.”

That the bankrupt exchanged the \$1,000 receipts into \$500 receipts. He said he could handle them better in \$500. Originally the receipts were for six months. He said any time I wanted my money to let him know two weeks ahead and I could have it. He kept his interest payments up regularly until the bankruptcy, when he told me he was broke.

That as to the \$300 loan in September, 1919, the bankrupt took witness in an automobile to show some securities [7] that he had up for a loan; that they looked at a piano, certain fixtures in the Mayflower Hotel and a houseboat on Lake Union; that the houseboat was agreeable to her and on returning to the bankrupt's office she gave him a check for \$300.00 to loan on the houseboat; that the bankrupt took no security for the \$300.00 as far as she knew and gave her nothing but a receipt; that the bankrupt after he was broke, stated he had used the money personally, placed it in a general fund and used it for his personal use; *that he then desired to change the receipts into promissory notes*; that two of the receipts have been changed into promissory notes; that he paid \$110 upon the notes.

That she would not have loaned the money if she had known the bankrupt was going to put it to his own use. (Rec. pp. 8-9.)

The testimony of Elizabeth Keelan shows:

“Q. Did you during November, 1920, loan Tilton \$500 in cash.

“A. Yes, sir.

“Q. Was that \$500 loan made in one loan or in several loans?

“A. Two.”

That the bankrupt said he was a loan agent and never let out money except on good security and at one-third of the value; that shortly after the loan the bankrupt desired to change the receipts into notes; that she would not have loaned the money if she had known he was going to apply it to his own use. (Rec. p. 10.)

Upon these receipts and upon this testimony and the testimony of the bankrupt Judge Neterer found:

“The receipts as given to Mrs. Helms which say ‘Received from Anna J. Helms \$500 for loan purposes, to be loaned and returned six months from date, plus interest at the rate of ten per cent per annum,’ create a relation between Mrs. Helms and Mr. Tilton other than that of principal and creditor.

“The money was given for a specific purpose. It was for loan purposes. Now that was for loans for Mrs. Helms, and by that receipt Mr. Tilton impliedly agreed that that fund would be loaned for Mrs. Helms. He has not placed it into a general fund useful for a general purpose; and when he failed to do that he violated a trust that was impliedly created at least by these receipts.

“I am satisfied by the testimony of all parties that that was at least the understanding of Mrs. Helms, and the conduct of the defendant, the very substance of the receipts, would lead her to that conclusion. (13.)

“And the same applies to—what was the name of the other woman who testified?

“MR. EMORY: Miss Keelan.

“THE COURT: Miss or Mrs.?

“MR. EMORY: Miss Keelan.

“MR. RUMMENS: Didn't Miss Keelan testify that she went there and loaned it to Mr. Tilton?

“THE COURT: I am referring to the receipts. The receipt is the same general relation and in substance I guess exactly the same.

“So, as far as these parties are concerned, I think that they have a right to successfully resist this discharge.” (Rec. pp. 15-16.)

It was from these considerations that Judge Neterer denied the discharge, and should he not have done so?

The object of the bankruptcy act is not to permit everyone who has either voluntarily or involuntarily been made a bankrupt, again to resume his activities, but only the HONEST bankrupt.

The argument submitted by appellant would apply to a motion for the discharge of Ponzi as logically as it applies here. Ponzi's statements upon which he obtained money and property in a vast amount, were not FINANCIAL statements such as appellant contends should be the only kind to prevent a discharge.

It is true that the courts hold universally that this act should be liberally construed in favor of the bankrupt; but that does not mean that any of its provisions should be nullified by construction.

When a bankrupt's misfortunes or mistakes, not wilful, have brought about his condition and he shows a desire again to enter into business, every assistance should be given him by the courts as well as by everyone else.

And the burden of showing that his actions were wilfully and knowingly such that he should not be again permitted to exercise his peculiar methods is upon those opposing his discharge. All this is freely granted.

Our contention is that when we have shown that the bankrupt obtained money from Mrs. Helm and Miss Keelan upon the credit of materially false written statements made to them by the bankrupt, which he knew to be false and which he made for the purpose of obtaining this money from them, then we have made out a case which calls for the denial of the petition for discharge of the bankrupt.

In the opinion of the trial judge we have met this burden.

“We agree with the learned district judge that a ‘materially false statement in writing’ cannot be confined to a FINANCIAL statement made by the bankrupt, or a STATEMENT OF HIS FINANCIAL CONDITION, and that it may include any ‘materially false statement in writing’ made by the bankrupt for the purpose of obtaining money or property on credit and by which such money or property is obtained.”

In re Robinson, 266 Fed. Rep. 971.

This is exactly what Judge Neterer held, and he gave his reasons for so holding in his opinion above quoted.

“I am satisfied from all of the testimony that the receipt of memoranda executed did not truthfully state the conditions upon which the money was paid to the bankrupt. The bankrupt in his testimony, as I understand it in substance, stated that in some conversation with some of the creditors he did say that the receipt did not clearly state the conditions of the loan. A rational human being is presumed to intend the natural and probable consequence of his words and conduct. The money was obtained by the bankrupt upon the receipt as THE INDUCING CAUSE, which did not state the fact.”

Record, p. 19.

Appellant has raised the question of the inconsistency of section 14-b and section 17-2 of the bankrupt act, should section 14-b be construed as the trial judge construed it, and as appellees contend for.

While in the *Hudson* case, 262 Fed. Rep. 778, this question seems to have been seriously considered, the distinction seems too plain for argument.

Section 14-b of the bankruptcy act denies the right of discharge to any bankrupt who has "obtained money or property on credit upon a materially false statement in writing, made by him to any person or his representative for the purpose of obtaining credit from such person."

Section 17-2 of the act provides that the bankrupt upon discharge shall not be released from such debts as "are liabilities for obtaining property by false pretenses or false representations."

There is no inconsistency in these two sections.

One relates to the obtaining of money or property on the faith of a "materially false statement in WRITING"; the other relates to "obtaining property by false pretenses or false representations."

Very plainly oral testimony might bring about the result that a discharge did not affect a debt caused by false pretences or false pretences when suit was brought against the bankrupt after his discharge.

And with that question the bankrupt court would have nothing to do, nor could the question be raised at any time or place except upon suit in which the bankrupt had pleaded his discharge as a bar.

Just as plainly oral testimony alone would not avail under section 14-b to prevent the discharge of the bankrupt.

Such discharge under that subdivision can be prevented only by the "materially false statement in WRITING" as the basis and such oral testimony as may under the circumstances be material.

It is true that even if this discharge is granted it would be unavailing against a suit brought by these claimants in some other court.

But that is not a thing to be considered on behalf of the appellant.

Because he is subject to a less penalty is no ground for his claiming that he is not also subject to a greater.

Simply for the purpose of analogy we would suggest that by the same logic one guilty of grand larceny might say: "But I am guilty of petty larceny; the state can punish me for that and should not therefore punish me for this greater offense."

Under specification No. 7 the question is put to Your Honors whether this order denying the discharge should be general or confined only to the Helms and Keelan claims.

Appellant conceded in the court below our contention that the order of denial if granted at all, should be general.

“MR. RUMMENS: I am afraid one five-cent bill would deny a million dollar discharge.” Record, p. 17.

Mr. Rummens spoke advisedly.

“The making by a bankrupt of a materially false statement in writing to any person for the purpose of obtaining property on credit and upon which statement property is so obtained prevents the granting of a discharge; and the objections may be interposed by any party in interest.”

In re Miller, 192 Fed. Rep. 730.

This decision cites the following cases:

Gilpin vs. National Bank, 165 Fed. Rep. 607;

Talcott vs. Friend, 179 Fed. Rep. 676;

In re Harr, 143 Fed. Rep. 421;

In re Brener, 166 Fed. Rep. 930;

In re Augspurgen, 181 Fed. Rep. 174.

Appellant has consumed much space in the citation of authorities upon the proposition that AN HONEST BANKRUPT should be given another chance.

With that proposition we have no quarrel; but we do believe, and that is the basis of our contention here, that a Ponzi should not be permitted to repeat. This was evidently the consideration which controlled Judge Neterer's decision, and upon that we base our prayer that this decision be affirmed.

ALBERT J. ALLEN,
SOLON T. WILLIAMS,
Attorneys for Appellees.

In the
**United States Circuit Court
of Appeals**
For the Ninth Circuit

In the Matter of GEORGE E. TILTON, Bankrupt.

GEORGE E. TILTON, Appellant
vs.

ANNA J. HELMS, ELIZABETH KEELAN, MAGDA
OLSON, REBECCA S. KNIGHT, R. BLIX,
FRANCES BLIX, CHRISTINA WADMAN, J. J.
MIDDAL, J. STARUP, ANNA C. ADAMS, JESSIE
HUMPHREY, ALICE SAXON and RUTH SAXON,
Appellees

Upon Appeal from the United States District Court for
the Western District of Washington,
Northern Division

Petition for Rehearing

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FILED

JAN 20 1925

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the Western District of Washington,
Northern Division

Petition for Rehearing

By the grace of the court in extending the time
up to and including January 20th, 1925, we are
filing this petition for rehearing on behalf of the

appellees. Although not originally of counsel of record in this case, counsel of record having withdrawn as shown by the files herein, we ask the court's indulgence for taking the liberty of presenting this petition, but we do so because we firmly believe, after reading the Transcript of Record, Briefs, and Opinion that the court has reached a conclusion which is not justified or warranted by the facts and the law submitted, and an injustice, it seems to us, has unconsciously been done to the appellees. We are reliably informed, and we repeat it as hearsay, that appellees were not represented before this court at the oral argument on November 24th last, by their counsel, although they had arranged to have him present. While we feel confident that this did not imply to this honorable court an abandonment of their position, or an admission of the weakness of their case, yet in view of the fact that the opinion was handed down twenty-one days after the oral argument was made by counsel for appellant, it is possible that with the heavy calendar of the last term and the large number of cases argued and submitted, some haste has been shown, and perhaps some vital testimony in this case has been overlooked.

Inasmuch as this is a case with no well defined principles of law or precedent governing its facts, and that it is to become a precedent binding in future cases, we feel a re-argument should be had and a re-examination of the record should be made, so as to determine if the conclusion of the court really fits the facts as they really exist. It is a case of first impression so far as this court is concerned, and from our thorough investigation we have not been able to discover in text books or adjudicated cases in bankruptcy proceedings, that there has been submitted, any case presenting exactly or with reasonable exactness the facts which this one does, to any court in this country.

While it is true, as the opinion states, that the bankrupt obtained from Anna J. Helms during 1919 sums aggregating \$6,300.00 in exchange for receipts specifying they were for loan purposes to be loaned and returned six months from date, plus interest, it must not be lost sight of that the last receipts, being renewals, were dated October 20th, 1920, October 12th, 1920, September 20th, 1920, November 8th, 1920, November 1st, 1920, and November 11th, 1920, each in the sum of \$500.00, and one September 16th, 1920, in the sum of \$300.00. (Tr. 6.) These receipts are the ones the objecting

creditors now claim were "materially false statements in writing, which the bankrupt made for the purpose of obtaining credit" from Anna J. Helms, the last being less than six months prior to the time that the bankrupt made an assignment for the benefit of his creditors, and less than seven months before he was adjudicated bankrupt.

Mrs. Helms testified she was an egg candler, and had been a widow for eleven years. While she said she loaned the bankrupt some money her language must be taken in connection with the manner in which it would be used by persons of her sex and business experience. There can be no question but that she understood both from the bankrupt and the language of the receipts given her by him that the bankrupt was to loan said money for her in the usual way that an agent or broker loans money of his principal, to-wit, by having the papers in her name. No other interpretation could be contended for that receipt as supported by her testimony. This court admits the relationship of the bankrupt to the owners of the moneys was that of an agent towards his principals. The bankrupt had been represented to her as a loan agent, he told her he loaned money and always loaned it out on good

security, taking only one-third the valuation so she let him have the \$1,000.00, with interest at 10 per cent; that he said he was always careful over his loans; that he gave her a receipt for \$1,000.00, and that altogether in 1919, she loaned him \$6,000.00 (should be \$6,300.00), drawing out \$2,000.00, leaving \$4,300.00 not returned. The \$1,000.00 receipts were exchanged into \$500.00 receipts, the bankrupt saying he could handle them better in \$500.00. Interest payments were kept up regularly until the bankruptcy when he told her he was broke. It was agreed the receipts of September, October and November, 1920, were renewals of the original loans made in 1919. (Tr. 7, 8,)

In September, 1919, Mrs. Helms said the bankrupt took her out to show her some securities and on returning to the office she gave him a check for \$300.00 to loan on the houseboat; she took no security for the \$300.00 so far as she knew and he gave her nothing but a receipt; that after he was broke he stated he had used the money personally, placed it in a general fund and used it for his own personal use, and desired to change the receipt into promissory notes and \$110.00 had been paid upon the notes; that she would not have loaned the money if she had known the bankrupt was going

to put it into his own use. She never examined any property for any loan except the \$300.00 on the piano and the houseboat; she never asked the bankrupt to show her any property; she never satisfied a note or mortgage, nor did she make any inquiry if mortgage was taken in her name. (Tr. 8, 9, 10.)

Of the money of Elizabeth Keelan, \$300.00 was loaned for the first time on October 11th, 1920, and again on November 24th, 1920, \$200.00 was loaned, and the bankrupt gave her the same form of receipts as those given Mrs. Helms. (Tr. 6, 7.) The bankrupt also told her he was a loan agent and never let out any money except on good security and at one-third of the value; that shortly after the loan the bankrupt desired to change the receipts into notes; that she would not have loaned the money if she had known he was going to apply it to his own use. (Tr. 10, 11.)

Confronted with these receipts and the testimony introduced in connection with their issuance, the lower court denied the bankrupt his discharge under Section 14b (3) Chapter III of the Bankruptcy Act as amended in 1910. Both of these objecting creditors testified the money was advanced to the bankrupt for the purpose of placing same in loans and that had they known he was going to put it to his own

use they would not have loaned the money. It must be borne in mind that the bankrupt was not dealing with persons who were accustomed with the manner of doing business as it was done in the business world between principal and agent or broker in loaning money, and for that reason they should not be held to the strict rule in the interpretation of language that is applied to persons constantly engaged in that business.

The bankrupt on his direct examination testified he never told Mrs. Helms he would take her money and loan it for her, in spite of the written evidence against him in the form of the receipts; that he borrowed from her with the understanding that he should use it in his business, and that he was making loans and that money was coming in constantly, and if she would give him reasonable time, a week or two, when she wanted money back, he would always meet it. There were two or three occasions when she did come in and when he paid in advance. He took the money and loaned it in his name, it was loaned to him and he reloaned it. Nothing was said to her about guaranteeing her the loan would be paid, the money was borrowed and he agreed to pay it at the time specified. Relative to the houseboat loan he was going out on a

trip and took her along, and the \$300.00 was loaned before they started and not after they came back. In addition to making loans he was in the logging business and had charge of a building and loan association, and at the time the loans were made he did not know he was in failing circumstances, and he ascertained that fact in the latter part of January, 1921, which by the way was only about two months after he had taken Miss Keelan's money, and given her the receipts, and a little over two months since he had done the same thing with Mrs. Helms by giving her the renewal receipts.

Originally Mrs. Helms had objected to the form of receipt, and he agreed to give her notes, but she said it did not make any difference. In January, however, he became alarmed, as his testimony shows, because these receipts were outstanding, as some of his creditors had suggested they might make him liable as a trust proposition and he said he did not understand them that way, that he handled them as notes, thousands of dollars in that way, and he wanted the legal evidence of this indebtedness put in the form which he and his creditors always understood it to be; other creditors had objected to the receipts and he had changed them into notes. He stated to Mrs. Helms the money was

loaned direct to him, and he wanted it put back on the basis of a straight loan. This was in January, 1921. He never told her he had lost everything and she was stuck, but did tell her he was seriously embarrassed and he was stuck. (Tr. 11, 12, 13.)

On cross-examination he testified he had been admitted to the bar eighteen or twenty years ago, but never practiced, and he was an officer of Prudential Savings & Loan Association; that the money loaned by Mrs. Helms and the other creditors in her position was actually used in chattel loans on personal property, principally, perhaps on some real property; that he never used any of the Helms money in his own personal business ventures, and it went into chattel loans, and his books would show he lost some \$29,000.00 on chattel loans. His books do not show, and never did, that any money which he loaned belonged to any particular individual, because he was not loaning for any particular individual, but always loaned the money in his own name. It was a loan to him. That is the way he understood it at the time. He had carried on his own business transactions in this manner for a great many years. (Tr. 13, 14.)

He further testified he was to pay Miss Keelan 10 per cent interest, he loaned money out on chattel

loans, was paid 10 per cent and also certain fees for services; he never represented he was acting as agent for other parties; the people to whom he made loans understood they were dealing with him alone; he did loan money with real property as security but the bulk of loans were on personal property, he generally acted as his own appraiser and the mortgages and bills of sale were given to him. (Tr. 14.)

From the testimony of these two objecting creditors it would seem that Miss Keelan's situation is a little different from that of Mrs. Helms. The latter had been dealing with the bankrupt since 1919, and was taking renewal receipts from time to time, the last of said receipts being as late as November 11th, 1920. Miss Keelan commenced to deal with him in October, 1920, making one payment of \$300.00 to him at that time, followed by another \$200.00 on November 24th, 1920, and so far as the record shows she never received any interest whatever from him, as he made an assignment for the benefit of his creditors in less than six months from the date she gave him her last money and took the receipt. There is a direct conflict in the evidence of Mrs. Helms and Miss Keelan on the one hand and the evidence of the bankrupt on the other, but we believe an examination of the

respective testimony in the light of the surrounding circumstances will show that the testimony of the two objectors is in harmony, and one corroborates the other, while the testimony of the bankrupt stands alone.

Even assuming for the sake of the argument that the court is right in overruling the objections of Mrs. Helms, this should not dispose of those filed by Miss Keelan. The bankrupt did not testify to any conversation had with Miss Keelan different from the agreement mentioned in the receipts given her, no interest was paid her, and no notes were given her in exchange for her receipts at any time. The bankrupt wanted to change the receipts into notes, but she would not have loaned the money if she had known he was going to apply it to his own use. He testified to an understanding with Mrs. Helms, which is denied by her, that he should use her money in his business, but no such conversation was had with Miss Keelan according to his testimony.

After stating the facts somewhat briefly as they affected Mrs. Helms' right, and adding that Miss Keelan's case was generally similar, the opinion states that "Tilton's relationship to the owners of

the moneys became that of an agent towards his principals." With this statement we are heartily in accord, but we respectfully disagree with the conclusions drawn therefrom. By the receipts or statements delivered to the objecting creditors, Helms and Keelan, he represented the moneys turned over to him were for loan purposes, to be loaned and returned. At the time he gave the last receipts to Mrs. Helms he still wanted her to believe that her money was in loans and had been loaned, as he was giving her the renewal receipts upon that basis. He knew at that time the money was not in loans but was in his general account and was being manipulated by him for his own use, drawing 10 per cent interest, and he being paid certain fees for services. The proper inference to be drawn from his testimony is, that he was making loans which to say the least were questionable, otherwise they would not draw 10 per cent interest and pay certain fees, and it would be interesting to know what his fees amounted to. It would seem that the money was loaned principally for those fees, and the bankrupt well knew that the parties who advanced him money upon such receipts would never have loaned him any money had they known how he manipulated the same for his own benefit.

He represented to them by his receipts the money was advanced for loan purposes to be loaned and returned, and as a financial agent and attorney at law he knew that he was going to use their money and was then using it, in a way different from that which he had led them to believe it would be used. Instead of using this money as an honorable business man and agent would do in taking care of the hard-earned savings of women entrusted to him for investment in reliance upon the statements contained in the receipts and orally, he uses and handles it as his own money. If the statements made by the bankrupt, in said receipts, do not come within the meaning of Section 14b (3) of the Bankruptcy Act Chapter III as amended in 1910, then we do not know what such a statement might consist of. As this court has said, Tilton agreed in said receipts to use the money for loan purposes for the benefit of the lenders, the sums to be returned, thus establishing the relation of principal and agent between the parties, but he then turns around and uses the money which had been given him, in reliance upon a statement in writing, in a way different from his representations in said receipts. When he gave the last receipts to Mrs. Helms the money was not then loaned for Mrs.

Helms' benefit. The money of both objecting creditors, as well as others similarly situated, was advanced to him upon his promise that it would be used for loan purposes to be loaned and returned and for no other purpose, and still he says he never told Mrs. Helms he would take her money and loan it for her. He admits he had not and did not use the money in accordance with the receipts and the statements made therein. If it is true he told Mrs. Helms the money was loaned to him, why lead her to rest in the belief that her money was being used for loan purposes for her benefit? Why continue to give her such forms of receipts except for the purpose of keeping her money and to deceive her? Why not give her a receipt for the money in his own name without specifying that it was for any purpose, except to draw interest, payable at specific times, inasmuch as he was in the loaning business? The only construction that can be placed upon said receipts is that they were made for the sole purpose of making Mrs. Helms and Miss Keelan believe their money would be placed in loans for their benefit, and no matter what would happen to Tilton they would be safe. It is all right for the bankrupt now to claim that Mrs. Helms never satisfied a note or mortgage, and that she made no inquiry

if mortgages were in her name. Mrs. Helms understood the duties of an egg candler, but when it came to loaning her money out at interest, she came to a man who had been recommended to her and who had recommended himself to her for that purpose, and she dealt with him as her agent or broker in putting out her money, and protected herself by the statement in her receipts, both original and renewals, that the money would be handled upon the basis of the statements made to her in writing.

Miss Keelan was not asked if she ever satisfied a note or mortgage, or if mortgage was taken in her own name, because she could certainly rely upon the statements of her receipt, an interest date not having rolled around, that her agent was looking after her interests in accordance with the terms of the written statements. At the time he gave her the receipts, perhaps as the court says, no particular loans were contemplated by the lenders, and that Tilton, who carried on a loaning business, could use his discretion in honestly making loans subject to the requirements of his receipts to his principals, plus the prescribed interest. Is not this, we ask, the way in which all money is entrusted to agents or brokers for the purpose of making loans? We agree that no particular loans were contem-

plated, but the money was to be used for loans as applied for by prospective applicants, and it is fair to infer that the six months' period was inserted in order that the investors might keep in touch with their investments as made by their agent, but instead of turning the money back, the agent issued renewal receipts in smaller amounts in the same language as the prior ones. No doubt these loans were short loans and this was the object of a six months' accounting. Under the receipts and the testimony in support thereof it was Tilton's duty to keep the money entrusted to him for investment in loans in favor of his clients, and they were relying upon him as to the method which they should follow, and this could be the only inducement which prompted these objecting creditors to invest moneys through him by taking these receipts and statements.

The court admits in its opinion that although Mrs. Helms' version of the circumstances connected with the \$300.00 receipt conflicts with that of Tilton, if the facts were as she gave them, the reasonable inference is that Tilton obtained the \$300.00 by a materially false statement in writing made with intent to deceive. This rule would apply also to the renewal receipts afterwards issued. The

situation up to the time the last renewal receipt was issued had not changed. The houseboat transaction was the basis of the subsequent transactions and the issuance of further receipts, and we can not see why the court should accept the testimony of the bankrupt as true and brand that of Mrs. Helms as untrue, especially when she has the support of a writing containing statements made for the purpose of retaining the money intrusted to him for investment purposes as originally agreed upon.

In conclusion the court says:

“Considering all the circumstances together, we think the evidence against his application for discharge is not of that strength and convincing character that the law requires as ground for denial of discharge in bankruptcy.”

In this connection, we refer the court to the rule announced in *Re Arenson*, 195 Fed. 609, 613, which seems to us to fit this case:

“While the burden of proof is upon the objecting creditor to establish the cause which he claims bars a discharge, yet, when such creditor shows that a material statement was known to be untrue when it was made, the burden of proof shifts to the bankrupt to show that it was not made with intent to deceive. This burden the bankrupt has not met.

His disclaimer of any purpose to deceive lacks any corroboration. It is a defense at the command of any one, and, in the absence of corroborating circumstances, is entitled to little weight.”

Although not a case involving relations between a bankrupt and his objecting creditors, the language used by our Supreme Court in the case of *Landis v. Wintermute*, 40 Wash. 673, 679, is pertinent upon the relations between the bankrupt in the instant case and his objecting creditors:

“One who acts * * * as an agent for a principal, should not only be absolutely honest, but should use the utmost effort to make the dealings fair, frank, and honorable; and this is especially true in dealing with one inexperienced or otherwise incapable of self-protection. And in transactions between * * * principals and confidential agents, courts will not be astute to find or recognize technicalities and subtle distinctions by means of which such * * * agents may escape the responsibilities resting upon them. The fact that the past transactions of the parties have been such as to awaken in the one a feeling of confidence and trust toward the other, and that by reason of that faith such an one is further relied upon, goes a long way toward showing the latter transaction to be one arising from a confidential relationship. Where such relations are shown to exist, the burden of showing the good faith of the transaction is upon the one asserting it. 14 Am. & Eng. Ency. of Law (2d Ed.) 194.”

In deciding this case upon appeal without reference to any precedent from the books, we think the court is right, as nothing could be gained by comparing the facts now before it with other facts in cases which are not analogous, and then try to harmonize the apparently conflicting decisions, which deal with those facts. As already stated, we have been unable to find anywhere a case where the facts are similar to those in the case at bar. The nearest to it is the case of *In re Shea*, 245 Fed. 363, decided by the District Court of Massachusetts in 1917. In that case, which was a review of the referee's decision, the facts were that the objecting creditors to the bankrupt's discharge had been carrying on transactions with the bankrupt as a broker, and as speculative margin accounts, according to the custom of brokers as found by the referee. Statements were rendered by the broker from time to time to his objecting creditors, or with his knowledge and approval, stating specifically there was "on hand" for them stock with the bankrupt or his company did not own and had no control for delivery of, and the referee found upon hearing of objections:

“The bankrupt did not in fact have any other stock of these descriptions at that time available, either in possession or by right of any contract, for delivery to the creditor, if payment had been made by the creditor and demand had been made for the stock.”

We quote the court’s language which is applicable to the case at bar:

“After these statements had been made to the creditor, payments to the bankrupt or his company were made by her. Each customer’s account seems to have been treated as an entirety, and not as a series of unrelated purchases or sales of different stocks. Payments made subsequent to the statements, must, I think, be regarded as having been procured, in part, at least, by the showing of stock on hand for the customer. This fact is categorically stated by the learned referee. He says, however:

“ ‘The objecting creditors made payments to the bankrupt to be credited on the account, believing that the bankrupt was carrying on margin for them, respectively, the shares of stock recited in the last monthly statements of accounts as being on hand.’

“The creditor’s belief that the bankrupt had the stocks on hand was undoubtedly one of the inducements to further payments by the creditor.

“It does not appear that the bankrupt understood that the statement that stocks on hand was false. But he knew what the facts were, and he knew

what was being represented to the customers, and he cannot escape responsibility for what was said upon the ground that he did not realize the legal effect of the language used. Nor does the fact, if it be so, that the bankrupt's *intention* was to buy and deliver shares, if the customer should call for them and pay the balance due, save the statements that shares were on hand from being false.

“The false statement, in order to bar discharge, must have been made for the purpose of obtaining money or credits. The creditor's stocks were carried on margin. If it became necessary to increase the margin, further payments might be made to the bankrupt or his company by her. In doing so, she would act, as both parties understood, in reliance on the statement. This was one of the reasons why it was made by the bankrupt or his company. It is not necessary that the sole purpose of the statement should have been to obtain money or credits. If that be one purpose, and the statement be known to be false, it is sufficient to bar a discharge.”

In the above case the application for discharge was refused upon the grounds stated.

In *Re Feinberg*, 287 Fed. 254, District Court, Pennsylvania, statements were made to the bank for the purpose of obtaining loans upon promissory notes. Renewal notes were accepted from time to time and reduced, the old note being charged off

and credit given for the renewals. The special master recommended that the objections be dismissed because the notes held by the bank were renewal notes, and therefore were not accepted on reliance upon a materially false statement in writing. In sustaining the objections and disallowing the report of the Special Master, the court said:

“The Bankruptcy Act authorizes the judge to discharge the bankrupt unless he has, inter alia (section 14b) [3], ‘obtained money or property on credit upon a materially false statement in writing, made by him to any person or his representative for the purpose of obtaining credit from such person.’ The bankrupt’s discharge is not the primary purpose of the Bankruptcy Act, nor is it an absolute right of the bankrupt. It is a privilege the law extends to him, unless it is shown that he has done one or more of the things provided in section 14 as grounds for refusal of his discharge. The primary purpose of the act is to collect the assets of the bankrupt and distribute them fairly and equitably among his creditors.”

We submit this petition for a rehearing of this case to the court, confidently believing that in view of the important questions raised therein it will be given a respectful consideration.

WHEREFORE, upon the foregoing grounds, these appellees and petitioners respectfully pray this honorable court for a rehearing of said case.

JOHN B. VAN DYKE,
JOSIAH THOMAS,
Attorneys for Appellees and Petitioners.

I, Josiah Thomas, of counsel for the appellees and petitioners, do hereby certify that in my judgment the foregoing petition for a rehearing is well founded, and the same is not interposed for delay.

JOSIAH THOMAS,
*Of Counsel for Appellees
and Petitioners.*



United States
Circuit Court of Appeals

For the Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

H. J. BRENEMAN,

Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of the
Estate of H. J. BRENEMAN, Bankrupt,
Respondent.

Petition for Revision

Under Section 24b of the Bankruptcy Act of Congress, Approved July 1, 1898, to Revise, in Matter of Law, an Order of the United States District Court for the District of Oregon.

FILED

SEP 20 1924

F. D. MONKTON,
CLERK

United States
Circuit Court of Appeals
For the Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

H. J. BRENEMAN,

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gress, Approved July 1, 1898, to Revise, in
Matter of Law, an Order of the
United States District Court for
the District of Oregon.**



INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

	Page
Amended Praecipe for Transcript, Submitted in Behalf of M. F. Corrigan, Trustee of This Estate, and Respondent	87
Answer to Bankrupt's Petition for Exemption	22
Answer to Petition and Order to Show Cause Why Certain Real Estate Should not be Sold Free of Liens	71
Answer to Petition of Trustee to Sell Real Es- tate Free from Liens	19
Certificate of Clerk U. S. District Court to Transcript of Record	92
EXHIBITS:	
Exhibit "A" Attached to Answer to Peti- tion and Order to Show Cause Why Certain Real Estate Should not be Sold Free of Liens—Judgment	77
Notice of Filing Petition for Review	7
Objections of Trustee to Bankrupt's Claim to have Real Property Set Aside as Ex- empt	51
Order Affirming and Sustaining Decision of Re- feree With Respect to Title to Certain Real Estate	69

Index.	Page
Order Extending Time to and Including August 25, 1924, to File Record and Docket Cause	97
Order Extending Time to and Including September 1, 1924, to File Record on Petition for Review	99
Order Fixing Time to and Including August 12, 1924, to File Record and Staying Proceedings (Dated May 16, 1924)	94
Order Fixing Time to and Including August 12, 1924, to File Record and Staying Proceeding (Dated May 19, 1924)	96
Order of Referee Authorizing Trustee to Protect Interest of Bankrupt's Estate in Real Property	81
Order on Petition of the Bankrupt to Set Aside Homestead Exemption and of Trustee to Sell Free from Liens	26
Order on Review of Referee's Order Denying Bankrupt's Petition for a Homestead Exemption and Allowing Petition of Trustee to Sell Free from Liens	47
Order on Trustee's Petition for Possession of Real Estate	59
Order to Show Cause Why Petition of Trustee Should not be Granted	58
Petition by Bankrupt to Review an Order of the Referee Ordering Property Turned Over to the Trustee	63
Petition by Bankrupt to Review Order of the Referee Denying the Bankrupt a Homestead and Ordering the Trustee to Sell the Property Free of Liens	30

Index.	Page
Petition for Order Setting Aside Exemptions	13
Petition in Bankruptcy	12
Petition in Bankruptcy by Edith Breneman...	53
Petition of Bankrupt to Review Under Section 24b	1
Petition to Sell Real Estate Free of Liens	16
Praeceptum for Transcript	48
Referee's Certificate on Review of Order Denying Bankrupt's Petition for a Homestead Exemption and Allowing Petition of Trustee to Sell Free from Liens	45
Referee's Certificate on Review of Order Directing the Surrender of Certain Property	67
Statement of Errors upon Which Bankrupt Intends to Rely	100
Statement of Parts of Record Trustee and Respondent Considers Necessary for Consideration Hereof	101
Statement of Property Claimed as Exempt by Your Petitioner	12
TESTIMONY:	
BRENEMAN, H. J.	34
Cross-examination	38
Transcript of Record Requested by the Trustee, by His Praeceptum Filed Herein, Except Such Parts of the Record as have Already Been Included in This Transcript in Accordance With the Praeceptum Filed by the Bankrupt	51
Trustee's Petition for Possession of Real Estate	54
Trustee's Report	85



United States Circuit Court of Appeals for the
Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

PETITION OF BANKRUPT TO REVIEW
UNDER SECTION 24b.

To the Honorable, the Judges of the Circuit Court
of Appeals for the Ninth Circuit:

Your petitioner, H. J. Breneman, bankrupt,
hereby represents as follows:

I.

That on the 21st day of September, 1921, H. J. Breneman, bankrupt, filed his petition and schedules in bankruptcy in the District Court of the United States for the District of Oregon, and thereafter on said date was duly adjudged a bankrupt, and a reference of said matter was made to Hon. A. M. Cannon, Referee in Bankruptcy of said Court.

II.

That said bankrupt duly and properly made the following claim of homestead in his schedules in bankruptcy under the heading "Statement of Property Claimed as Exempt by Your Petitioner":

"Homestead upon which your petitioner has lived and occupied as his home since 1914, of which the following is a description:

Commencing at a point 2278 chains west of the southeast corner of the S. F. Staggs and Minerva J. Staggs Donation Land Claim, Notification No. 1211, claim No. 55, in Township 4 South of Range 4 West of the Willamette

Meridian, and running thence west 7.51 chains; thence north $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, containing about 10 acres; also the west half of the South Park subdivision, the same being a subdivision in the above-named and numbered Donation Land Claim of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now on record in the office of the Recorder of Conveyances in and for Yamhill County, State of Oregon."

III.

That thereafter M. F. Corrigan was duly elected Trustee in Bankruptcy of said estate of H. J. Breneman, and qualified as such Trustee.

IV.

That said Trustee failed and refused to set aside said property claimed by said bankrupt as above set forth or any part thereof as exempt, or to make any report concerning said homestead exemption whatsoever.

V.

That on the 13th day of June, 1923, the said bankrupt filed his duly verified petition with the Referee in Bankruptcy herein, setting forth that he had maintained his home or residence upon said property ever since and long before the filing of the petition in bankruptcy, and claimed the same as exempt and prayed that the same might be set aside to him as exempt.

VI.

That thereafter on the 19th day of June, 1923, M. F. Corrigan, Trustee herein, filed a petition for an order to show cause why said property should not be sold free and clear of liens.

VII.

That thereafter on the 12th day of July, 1923, the bankrupt filed an answer to the petition for the show cause order setting forth that both prior to, and after the filing of said petition in bankruptcy, he had paid the taxes on said property heretofore described, and that he was awaiting steps to be taken by the Trustee looking toward the adjudication of his exemption rights in the property in question. That no action had been taken in this regard by the Trustee and that therefore, he, the bankrupt, had filed a petition in said Court to have the said homestead set aside as exempt and prayed that the said property be so set aside.

VIII.

That thereafter on the 17th day of July, 1923, the Trustee in bankruptcy filed an answer to the bankrupt's petition for exemption, alleging that said property was not used as a homestead by the bankrupt; that the value of same is greater than allowed by the statutes of Oregon, as exempt; that the bankrupt had failed to claim the property as exempt in a suit brought in a State Court; that the bankrupt had failed to account to the Trustee for the rents and income upon said property, and that the Trustee had filed a petition to sell said property free and clear of liens, and praying that

said claim of the bankrupt for exemption of said property be denied.

IX.

That thereafter the said matter came on for hearing before the Hon. A. M. Cannon, Referee in Bankruptcy on said petitions and answers, and the said Referee in Bankruptcy, on the 22d day of January, 1924, made an order allowing the petition of the Trustee to sell said property free and clear of liens and denying the petition of H. J. Breneman to have his homestead set aside as exempt for the reason that an exemption it was asserted could not be claimed under the laws of the State of Oregon in property held by a man and his wife as an estate by the entirety.

X.

That thereafter on the 8th day of February, 1924, the bankrupt, feeling aggrieved by said order, filed a petition for review upon said order, and thereafter on the 2d day of April, 1924, the District Court of the United States for the District of Oregon made an order confirming the order of the Referee.

XI.

All of the foregoing will be made to appear more fully to your Honors by a transcript of the record which will be transmitted to this Court.

XII.

That said order was and is erroneous as a matter of law, in that,

(1) Said Trustee should have been ordered and required to set aside as exempt the real property

claimed, at least to the extent of \$3000.00 in value.

(2) That the order of the Referee should have been reversed and said property allowed as exempt.

(3) That the order of the Referee should have been reversed and the petition of the Trustee to sell said property free and clear of liens should have been disallowed.

(4) That the order of the Referee should have been reversed and the petition of the bankrupt for an order allowing his exemption in the real property claimed should have been allowed.

WHEREFORE, your petitioner feeling aggrieved because of said order, asks that the same be revised in matters of law by this Honorable Court as provided in Section 24-b of the Bankruptcy Act, and the rules and practices in such case made and provided, and that the same be reversed and an order made allowing the bankrupt his exemption in the property claimed as exempt; and for such other and further relief as may be just and proper.

Dated at Portland, Oregon, this 16th day of May, 1924.

H. J. BRENEMAN,
Petitioner.

SIDNEY TEISER,
W. L. COOPER,
Attorneys for Petitioner.

United States of America,
District of Oregon,
County of Multnomah,—ss.

I, H. J. Breneman, being first duly sworn, on oath depose and say: That the facts set forth in the foregoing petition are true as I verily believe.

H. J. BRENEMAN.

Subscribed and sworn to before me this 16th day of May, 1924.

[Seal]

SIDNEY TEISER,
Notary Public for Oregon.

My commission expires Dec. 27, 1924.
State of Oregon,
County of Multnomah.

Due service of the within petition for review is hereby accepted in Multnomah County, Oregon, by receiving a copy thereof duly certified.

WM. B. LAYTON,
E. A. B.
Attorney for Trustee.

May 16, 1924.

United States Circuit Court of Appeals for the
Ninth Circuit.

In the Matter of H. J. BRENNEMAN, Bankrupt.

NOTICE OF FILING PETITION FOR RE-
VIEW.

To M. F. CORRIGAN, Esq., Trustee in Bank-
ruptcy of the Estate of H. J. Breneman, Bank-
rupt, and to WILLIAM B. LAYTON and N.
RAE ALBER, His Attorneys:

You, and each of you, are hereby notified that on
the 20th day of May, 1924, at the hour of ten o'clock
in the forenoon of said day, we will file in the office
of the Clerk of the Circuit Court of Appeals for
the Ninth Circuit, in the City of San Francisco,
California, a Petition for Review in the above-
entitled cause, a copy of which petition is hereto
annexed as a part of this Notice.

Dated at Portland, Oregon, May 16th, 1924.

W. L. COOPER,
SIDNEY TEISER,
Attorneys for Bankrupt.

United States of America,
State of Oregon,
County of Multnomah.

Due service of the within notice is hereby ac-
cepted in Multnomah County, Oregon, by receiving
a copy thereof duly certified.

WM. B. LAYTON,
E. A. B.
Attorney for Trustee.

May 16, 1924.

[Endorsed]: No. 4255. United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of H. J. Breneman, Bankrupt. H. J. Breneman, Petitioner, vs. M. F. Corrigan, as Trustee in Bankruptcy of the Estate of H. J. Breneman, Bankrupt, Respondent. Petition for Revision Under Section 24b of the Bankruptcy Act of Congress, Approved July 1, 1898, to Revise, in Matter of Law, an Order of the United States District Court for the District of Oregon.

Filed May 20, 1924.

F. D. MONCKTON,
Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

United States
Circuit Court of Appeals

For the Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

H. J. BRENEMAN,

Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of the
Estate of H. J. BRENEMAN, Bankrupt,
Respondent.

**TRANSCRIPT OF RECORD IN SUPPORT
OF PETITION FOR REVISION**

Under Section 24b of the Bankruptcy Act of Congress, Approved July 1, 1898, to Revise, in
Matter of Law, an Order of the
United States District Court for
the District of Oregon.



In the United States Circuit Court of Appeals for
the Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

NAMES AND ADDRESSES OF ATTORNEYS
OF RECORD:

SIDNEY TEISER, Morgan Building, Portland,
Oregon, and W. L. COOPER, Chamber of
Commerce, Portland, Oregon,
For the Bankrupt.

WILLIAM B. LAYTON, Pittock Block, Portland,
Oregon,
For the Trustee.

In the District Court of the United States for the
District of Oregon.

July Term, 1921.

BE IT REMEMBERED, That on the 21st day
of September, 1921, there was duly filed in the
District Court of the United States for the District
of Oregon, a petition in bankruptcy with Schedules
A and B, annexed thereto. The portion thereof
designated by the praecipe for transcript filed
herein is in words and figures as follows, to wit:

[1*]

*Page-number appearing at foot of page of original certified Petition for Revision.

In the District Court of the United States for the
District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

PETITION IN BANKRUPTCY.

* * * * *

SCHEDULE B(3).

STATEMENT OF THE PROPERTY CLAIMED
AS EXEMPT BY YOUR PETITIONER.

* * * * *

HOMESTEAD upon which your petitioner has lived and occupied as his home since 1914, of which the following is a description:

Commencing at a point 2278 chains west of the southeast corner of the S. F. Staggs and Minerva J. Staggs Donation Land Claim, Notification No. 1211, claim No. 55, in Township 4 South of Range 4 West of the Willamette Meridian, and running thence west 7.51 chains; thence north $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, containing about 10 acres; also the west half of the South Park subdivision, the same being a subdivision in the above named and numbered Donation Land Claim of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said County and State.

Deed to this property is a joint deed to myself and wife with a life lease to my wife's father, John

F. Allison, and for which we have to pay \$265.14 each and every year during the life of my wife's father, John F. Allison. The estimated value of the interest of your petitioner is hard to determine, however, I will say that I would estimate it at about \$2,000.00 [2]

AND AFTERWARDS, to wit, on the 13th day of June, 1923, there was duly filed with the Referee in Bankruptcy a petition of the bankrupt for an order setting aside exemptions, in words and figures as follows, to wit: [3]

In the District Court of the United States for the District of Oregon.

No. —.

In the Matter of H. J. BRENEMAN, Bankrupt.
PETITION FOR ORDER SETTING ASIDE
EXEMPTIONS.

Comes now the above-named petitioner and prays the Court for a decree setting aside all the property enumerated and claimed by the bankrupt in his petition filed herein, being Schedule "B," and your petitioner has maintained his home or residence upon said property ever since and long before the filing of this petition, as exempt property; which property is described as follows:

Commencing at a point 2278 chains west of the southeast corner of the S. F. Staggs and Minerva J. Staggs Donation Land Claim, Notification No. 1211, claim No. 55, in Township

4 South of Range 4 West of the Willamette Meridian, and running thence West 7.51 chains; thence north $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, containing about ten acres; also the west half of the South Park subdivision, the same being a subdivision in the above-named and numbered Donation Land Claim of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said County and State.

Deed to this property is a joint deed to myself and wife, with a life lease to my wife's father, John F. Allison, and for which we have to pay \$265.14 each and every year during the life of my wife's father, John F. Allison. The estimated value of the interest of your petitioner is hard to determine; however, I will say that I would estimate it at about \$2,000.00.

That the trustee in bankruptcy, M. F. Corrigan, has not set aside the property as required by law, but has permitted suits to be filed and a judgment to be obtained against said property; and said property was sold to one D. M. Nayburger upon a judgment secured in the Circuit Court of the State of Oregon for the County of Yamhill, on the 17th day of June, 1922; said sale being confirmed on February 10th, 1923; and the trustee in bankruptcy made no objection to the confirmation of said sale.

And your petitioner is entitled to a homestead exemption, and when granted, will be in a position to file a suit to set aside said judgment [4] secured by D. M. Nayburger.

WHEREFORE, your petitioner prays for a decree setting aside the above-described property as exempt, being the homestead of your petitioner.

W. L. COOPER,

Attorney for Petitioner.

H. J. BRENEMAN,

Petitioner.

United States of America,
District of Oregon,—ss.

I, H. J. Breneman, petitioner herein described, in the foregoing petition, do hereby make certified oath that the statements therein are true and correct to the best of my knowledge, information and belief.

H. J. BRENEMAN.

Subscribed and sworn to before me this 11th day of June, 1923.

[Seal]

PAUL R. HENDRICKS,

Notary Public for Oregon.

My commission expires March 16, 1924.

Filed with the Referee: June 13, 1923. A. M. Cannon, Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.

[5]

AND AFTERWARDS, to wit, on the 19th day of June, 1923, there was duly filed with the Referee in Bankruptcy, a petition of the Trustee to sell real estate free of liens, in words and figures as follows, to wit: [6]

In the District Court of the United States for the District of Oregon.

In the Matter of EDITH BRENEMAN, Bankrupt.

PETITION TO SELL REAL ESTATE FREE OF LIENS.

Comes now M. F. Corrigan, the duly elected, qualified and acting Trustee of the above-entitled estate in bankruptcy and respectfully reports to the Court and petitions as follows:

That by order of the District Court of the United States for this district, on the 30th day of April, 1923, it was adjudged that your Trustee, together with the Trustee of the Estate of H. J. Breneman, is the holder of the title of and is entitled to the possession of the following-described real estate:

Beginning at an iron pipe set for the quarter section corner of the south line of Section No. 13 in T. 5 S. R. 4 West of the Willamette Meridian in said Yamhill County, Oregon; thence running north 89 degrees 24 minutes east 33.49 chains to an iron pipe set in center of County road now there; thence north 52' along center of said road 16.93 chains to an iron pipe set at an angle in said road; thence running north

15 degrees 33 minutes east along center of said road 9.393 chains to an iron rod; thence running west 50.583 chains to an iron pipe on west line of lot No. 11 of Walnut Hill Pat. No. 2; thence south along west line of said Lot 11; thence east 5.80 chains to southeast corner of said Lot No. 11 above named; thence south 12.93 chains to the southeast corner of said Walnut Hill plat No. 2 above named on section line; thence east 8.52 chains to place of beginning and containing 120 acres more or less.

Your trustee is informed that one D. M. Nayberger of McMinnville, Oregon, and one John F. Allison of McMinnville, Oregon, claims some lien on said real estate, the exact nature and amount of which is unknown to your trustee. [7]

Your trustee is also informed that there are certain tax delinquency certificates against part of said property, and there are certain taxes due to the State of Oregon on the whole of said property.

Your trustee is informed and believes that the reasonable value of said real estate is in excess of any of the amounts of such taxes and liens which may be against it, and that it will be for the best interests of this estate that said property be sold, free from liens.

WHEREFORE your trustee prays for an order of this Court requiring said Nayberger and said Allison and the Bankrupt herein to show cause before this Court at a time to be specified by this Court why an order should not be entered per-

mitting and authorizing your trustee to sell said real estate free from liens, and for such other and further orders as may be necessary and proper.

M. F. CORRIGAN,
Trustee.

United States of America,
State of Oregon,
County of Yamhill,—ss.

I, M. F. Corrigan, being first duly sworn, depose and say that I am Trustee of the within-entitled estate; that I have read and signed the foregoing petition, and that the same is true, as I verily believe.

M. F. CORRIGAN.

Subscribed and sworn to before me this 11th day of June, 1923.

[Notary Seal]

C. KNEALE,
Notary Public for Oregon.

My commission expires April 11, 1927.

Filed June 19, 1923. A. M. Cannon, Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.
[8]

AND AFTERWARDS, to wit, on the 12th day of July, 1923, there was duly filed with the Referee in Bankruptcy an answer of the bankrupt to the petition of the Trustee to sell real estate free from liens, in words and figures as follows, to wit: [9]

In the District Court of the United States for the
District of Oregon.

No. 6404.

In the Matter of H. J. BRENNEMAN, Bankrupt.

**ANSWER TO PETITION OF TRUSTEE TO
SELL REAL ESTATE FREE FROM LIENS.**

Comes now the above-named bankrupt and for answer to the petition of the trustee, M. F. Corrigan, not in accordance with the Order to show cause why the trustee should not be authorized to sell the property described in the petition, as follows:

Beginning at an iron pipe set for the quarter section corner of the south line of Section No. 13 in T. 5 S. R. 4 West of the Willamette Meridian in said Yamhill County, Oregon; thence running north 89 degrees 24 minutes east 33.49 chains to an iron pipe set in center of County road now there; thence north 52' along center of said road 16.93 chains to an iron pipe set at an angle in said road; thence running north 15 degrees 33 minutes east along center of said 9.393 chains to an iron rod; thence running West 50.583 chains to an iron pipe on west line of lot No. 11' of Walnut Hill Pat. No. 2; thence south along west line of said lot 11; thence east 5.80 chains to southeast corner of said lot No. 11 above named; thence south 12.93 chains to the southeast corner of

said Walnut Hill plat No. 2 above named on Section line; thence east 8.52 chains to place of beginning and containing 120 acres more or less.

Free and clear of all liens, would respectfully show:

I.

That your bankrupt was duly adjudged a bankrupt on September 21st, 1921; and just prior to filing said petition, he paid taxes assessed against said property amounting to \$94.17, as shown by the receipts hereto attached and made a part hereof.

That on September 26th, 1922, he paid taxes amounting to \$97.98, on the above-described property and improvements, less amount of personal tax; and that your petitioner would have paid the taxes assessed and levied for the year 1922, but there was a petition for a review in progress during the time, and that your bankrupt has been in the possession of said property, and is now in possession of said property as his homestead, and has a petition with the Honorable Court for setting aside his homestead; and that M. F. Corrigan, in his brief [10] in the District Court, through his attorney, made the following statement:

“As soon as it is finally and definitely determined whether or not the Trustee takes title to this property, the Trustee will then take such steps as may be necessary to have the bankrupts’ exemption rights adjudicated.”

That the bankrupt has filed with this Court, his petition to have his homestead set aside and neither

the Trustee nor the Court has set aside the homestead; but as soon as that is done, and your bankrupt is reimbursed for the taxes, he has no objection to the order of sale.

WHEREFORE, having fully answered the petition of the Trustee, asks that the Court and Trustee set aside all of said property that is exempt under the law, being his homestead; and that he be reimbursed for the excess amount of taxes paid; and for such other and further relief as to the Court seems meet and equitable.

W. L. COOPER,
Attorney for Bankrupt.

H. J. BRENEMAN,
Bankrupt.

United States of America,
State of Oregon,
County of Multnomah,—ss.

I, H. J. Breneman, being first duly sworn depose and say, that I am the bankrupt of the within estate, and that I have read the foregoing answer and that the same is true as I verily believe.

H. J. BRENEMAN,
Bankrupt.

Subscribed and sworn to before me this 5th day of July, 1923.

E. EARL FEIKE,
Notary Public for Oregon.

My commission expires May 28, '27. [11]

State of Oregon,
County of Multnomah,—ss.

Due service of the within answer is hereby accepted, this 10th day of July, 1923, by receiving a copy thereof, duly certified to as such by W. L. Cooper, attorney for bankrupt, H. J. Breneman.

WM. B. LAYTON,
Attorney for Trustee.

Filed July 12, 1923. A. M. Cannon, Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.
[12]

AND AFTERWARDS, to wit, on the 17th day of July, 1923, there was duly filed with the Referee in bankruptcy an answer of the Trustee to the petition of Bankrupt for exemptions, in words and figures as follows, to wit: [13]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ANSWER TO BANKRUPT'S PETITION FOR EXEMPTIONS.

Comes now M. F. Corrigan, the duly elected, qualified and acting Trustee of the above estate in bankruptcy, and for answer to the bankrupt's petition for exemptions, denies each and every allegation therein contained except as hereinafter affirma-

tively and expressly admitted, and alleges as follows:

I.

That said property was claimed by said bankrupt to be no part of the assets of this estate by virtue of the fact that title to said property was held by said bankrupt and his wife as tenants by the entirety; that the wife of said bankrupt has also been adjudged a bankrupt, and the Trustee of this estate is Trustee of her estate, and that by order of the District Court of the United States for the District of Oregon, on the 30 day of April, 1923, said property was adjudged to be an asset of this estate, a copy of which order is hereto attached and by reference made part and portion of this answer, the same as if fully set out herein.

II.

That said bankrupt has failed, neglected and refused to comply with the orders of this Court and to turn said property over to your Trustee, and the wife of said bankrupt now claims to be in possession of said property. [14]

III.

That said property at the time of filing the petition herein was not used as a homestead by said bankrupt and has not since been used as a homestead; that on one occasion said property was abandoned by both of said bankrupts. Their principal place of abode has been elsewhere.

IV.

That said property is greater in area than that allowed to be exempt by virtue of the statutes of

the State of Oregon, and said property is greater in amount than that allowed to be exempted by virtue of the statutes of the State of Oregon. Your Trustee is informed and believes, and therefore alleges the fact to be, that the reasonable value of said property is \$8,000.00, or more.

V.

That prior to the filing of said petition in bankruptcy one D. M. Nayburger started a certain action in the Circuit Court of the State of Oregon, for the County of Yamhill, against the said bankrupt and his wife on a joint claim for family necessities, and did recover judgment on said claim, and said property was sold under execution of said judgment, and said D. M. Nayburger bid the same in for the face of his said claim and said bankrupt and his wife failed, neglected and refused to assert or claim any homestead exemption in or to said property at or before said execution sale, and did thereby waive all claims to exemptions in and to said property.

VI.

That said bankrupt, during the pendency of these proceedings, has received certain rents, profits and income from said property, the exact amount of which is unknown to your Trustee; that said bankrupt has failed, neglected and refused to account to your Trustee for any of said rent, profits or income. [15]

VII.

That your Trustee in this estate and in the estate of Edith Breneman, a bankrupt, has filed a certain

petition to sell said property free of liens to protect the equity of redemption in this estate and in the estate of Edith Breneman as to said judgment of said D. M. Nayburger.

WHEREFORE your Trustee prays for an order of this Court denying the claim of said bankrupt for the exemption of said property, and for such other and further orders that may be necessary and proper.

(Signed) M. F. CORRIGAN,
Trustee. [16]

State of Oregon,
County of Yamhill,—ss.

I, M. F. Corrigan, being first duly sworn, depose and say that I am Trustee in the above-entitled estate; that I have read and subscribed the foregoing answer to bankrupt's petition for exemptions, and that the statements therein contained are true as I verily believe.

(Signed) M. F. CORRIGAN.

Subscribed and sworn to before me this 22 day of June, 1923.

[Notarial Seal] (Signed) M. H. KENDALL,
Notary Public for Oregon.

My commission expires Sept. 1, 1923.

State of Oregon,
County of Multnomah,—ss.

Due and legal service of the within answer is hereby accepted in Multnomah County, Oregon, this 10 day of July, 1923, by receiving a copy

thereof, duly certified to as such by attorneys for trustee.

W. L. COOPER,
Attorney for Bankrupt.

Filed July 17, 1923. A. M. Cannon, Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.
[17]

AND AFTERWARDS, to wit, on the 27th day of February, 1924, there was duly filed in said court, a copy of the order of the Referee in Bankruptcy on the petition of the Trustee to sell real property free from liens, and petition of bankrupt for exemptions, in words and figures as follows, to wit: [18]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ORDER ON PETITION OF THE BANKRUPT
TO SET ASIDE HOMESTEAD EXEMPTION
AND OF THE TRUSTEE TO SELL
FREE FROM LIENS.

This matter now comes on to be heard on the petition of the Trustee to sell real property described in the schedules of the bankrupt free from liens thereon, and on petition of the bankrupt to

set aside his homestead exemption thereon. The rights of the respective parties in this property have been before the court on petitions for possession, etc., and it has been decided that the Trustee of the two estates has succeeded to the entire estate by operation of law, inasmuch as both husband and wife filed petitions in bankruptcy, so that unless the bankrupt, H. J. Breneman, is entitled to the homestead exemption in the property the petition of the Trustee to sell free from liens should be granted.

I think the standing of H. J. Breneman as a homestead claimant should be determined as of the date he filed his petition setting up his right to a homestead in the property. What has happened since that date by the filing of a petition in bankruptcy by his wife cannot, I think, affect his right as at the time he filed his petition. Hence the sole question for decision now is whether or not he is entitled as one of the spouses in an estate by the entirety to claim an exemption in such estate under the Oregon Statute.

My view of the matter is that he cannot do this. The statute is explicit that it must be the owner who may make the claim to the homestead and Breneman, it seems to me, was not the owner either of the whole or of any part of the property. It belonged to the community, the union or the entirety. He was [19] no more entitled to claim a homestead than was his wife or the entirety, or union. There was no part of this estate which might be set off to him because there was no part which

could be designated as belonging to him. I agree with what the court said in the case of *Sharp vs. Baker*, 99 NE. 44:

“A tenant by entirety has no separate interest or property in the entirety estate which can be claimed as exempt. The right of an execution defendant to claim property as exempt extends only to property in which he has an individual interest. * * * The fact that neither of the tenants by entireties can claim as exempt the entirety property or any part thereof as against a joint execution levied thereon seems to be a hardship; but the apparent hardship in such a case is not greater than that which results from the inability of a partner to claim as exempt his interest in partnership property. It is the business of the courts to declare the law as it is and not to make law to relieve against hardships. If the law as it now is works an injustice, the remedy must be sought in the legislature and not in the courts.”

And in *Henderson vs. Hoy*, 26 La. 156:

“The property or right seized is the plaintiff’s share in the land which belongs to the six heirs of J. H. Henderson. There is no particular part of the five hundred acres that he can rightfully claim as his own. He only has a share of one-sixth in each and every acre. He may never become the sole owner of any part of it because it may happen that a partition by litigation may be deemed most

advantageous to the owners, and the partition be made in that way. But a sufficient answer to plaintiff's pretensions on this point is, that the property seized is not susceptible of being a homestead; it is only his share of the land; it is an incorporeal. And an incorporeal cannot be the object of the operation of the homestead act."

See also

Wolfe vs. Fleischacker, 63 Am. Dec. 121,
Avans vs. Everett, 5 Lea (Tenn.), 76,
United States Oil & Land Co., vs. Bell, 153
Cal., 781, 96 Pac. 901.

It is therefore ordered that the petition of the Trustee to sell free from liens be, and the same is hereby allowed, and the petition of the bankrupt, H. J. Breneman, to have his homestead set aside as exempt be, and the same is hereby, denied.

Dated at Portland, Oregon, January 22d, 1924.

A. M. CANNON,
Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.
[20]

AND AFTERWARDS, to wit, on the 8th day of February, 1924, there was duly Filed with the Referee in Bankruptcy a petition to review the order of Referee, in words and figures as follows, to wit: [21]

In the District Court of the United States for the
District of Oregon.

No. 5930.

In the Matter of H. J. BRENEMAN, Bankrupt.

PETITION BY BANKRUPT TO REVIEW
ORDER OF THE REFEREE DENYING
THE BANKRUPT A HOMESTEAD AND
ORDERING THE TRUSTEE TO SELL THE
PROPERTY FREE OF LIENS.

The petition of H. J. Breneman, bankrupt, respectfully represents that on the 24th day of January, 1924, manifest error to the prejudice of the petitioner was made by the Referee in said matter and in the refusing to set aside a homestead in the following described property:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4 S. R. 4 W. of the W. M. and running thence West 7.51 chains; thence North $13\frac{1}{3}$ chains; thence East 7.51 chains; thence South $13\frac{1}{3}$ to the place of beginning, and containing 10 acres.

ALSO, The West half of the "South Park subdivision, "the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record

in the office of the Recorder of conveyances in and for said county and State.

And the Referee further erred in Ordering the Trustee to sell the property above described free from liens.

The errors complained of are:

First. The record in this cause, which was before the Referee, shows that H. J. Breneman was adjudged a bankrupt on the 21st day of February, 1921, and claimed a homestead in the following described property:

Commencing at a point 22.785 chains west of the Southeast corner of the S. F. Staggs and Minerva J. Staggs Donation Land Claim Notification No. 1211, Claim No. 55, in T. 4 S. R. 4 West of the Willamette Meridian, and running thence West 7.51 chains; thence North $13\frac{1}{3}$ chains; thence East 7.51 chains; thence South $13\frac{1}{3}$ chains to the place of beginning, containing 10 acres.

Also the West half of the "South Park Subdivision," the same being a Subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said Subdivision now of record in the office of the Recorder of Conveyances in and for said County and State. [22]

As shown by Schedule B on page 1, as exempt under the laws of the State of Oregon.

Second. The evidence shows that the bankrupt, H. J. Breneman, has maintained his home on said

property prior to and at all times since filing his petition in bankruptcy.

Third. The Trustee in bankruptcy never set apart which property he claimed as exempt as shown by the records in this cause.

Fourth. The Referee erred in holding that the Trustee was entitled to sell, free from liens, a piece of property held by the entirety, while the other spouse was living. The Referee erred in his conclusions of Law from the evidence, and the record at said hearing.

WHEREFORE, your petitioner prays that the order of the Referee be reviewed by the Honorable Judge in this case, and your petitioner will ever pray.

H. J. BRENEMAN,
Petitioner.

W. L. COOPER,
Attorney for the Petitioner.

United States of America,
District of Oregon,—ss.

I, H. J. Breneman, petitioner described in the foregoing petition, do hereby make solemn oath that the statements therein are true and correct to the best of my knowledge, information and belief.

H. J. BRENEMAN,
Petitioner.

Subscribed and sworn to before me this 8th day of February, 1924.

M. J. SPURLIN,
Notary Public for Oregon.

My commission expires April 27, 1924.

Filed February 8, 1924. A. M. Cannon, Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.
[23]

AND AFTERWARDS, to wit, on the 14th day of February, 1924, there was duly filed with the Referee in Bankruptcy testimony, in words and figures as follows, to wit: [24]

In the District Court of the United States for the District of Oregon.

IN BANKRUPTCY.

In the Matter of H. J. BRENEMAN, a Bankrupt, #B6404, and EDITH BRENEMAN, a Bankrupt, #B6930.

TESTIMONY.

This matter came on regularly to be heard on the 20th day of November, 1923, at ten o'clock A. M. before the Honorable Anderson M. Cannon, Referee in Bankruptcy, and by agreement was adjourned to the 27th day of November, at two o'clock P. M. at which time the following proceedings were had, to wit:

The Trustee, Mr. M. F. Corrigan, was present in person and represented by his attorneys Messrs. William B. Layton and N. Ray Alber.

Mr. S. J. Bischoff was present representing Mr. D. M. Neighbor, a creditor.

The bankrupts were present in person and represented by their attorney Mr. W. L. Cooper.

The REFEREE.—These are the cases of H. J. and Edith Breneman. Mr. Cooper do you represent them both?

Mr. COOPER.—I do, but I desire first to take some testimony in the Edith Breneman case.

Mr. LAYTON.—Mr. Allison claims the right to appear.

The REFEREE.—He is not here and is not represented. [25] He was served. If he wanted to be present he should have been here.

Mr. LAYTON.—I think the Court is right in declaring him in default.

The REFEREE.—You want to take testimony in the Edith Breneman case first?

Mr. COOPER.—If you please.

The REFEREE.—You may proceed.

* * * * *

TESTIMONY OF H. J. BRENEMAN.

Mr. H. J. BRENEMAN, in the H. J. Breneman case.

Direct Examination By Mr. COOPER.

Q. You are H. J. Breneman the bankrupt?

A. Yes, I am.

Mr. COOPER.—The Trustee in his petition or answer to my petition has set up a lot of stuff and that is the reason I want to take a little testimony in answer to his claims.

Q. Mr. Breneman in your petition for your homestead exemption that you filed here covering the

(Testimony of H. J. Breneman.)

property you had listed, as claimed in your schedule, being Schedule B, I will ask if you are living or were living on this [26] property at the time you filed your petition in bankruptcy? A. Yes, sir.

Q. We will omit any description of it now, the property being the property described in your petition? A. Yes.

Q. Have you kept that as your home and occupied it as your home since then? A. Yes.

Q. Is it your home now? A. Yes.

Q. Are you away from home at any time, if so, where?

A. Yes, I am working at the State Hospital.

Q. What have you got belonging to yourself and wife in the house on this property that you have claimed as your homestead?

A. We have our household goods, eight and a half tons of baled hay, and some other articles that we have there.

Q. You also claim some personal property as exempt; personal property on the homestead?

A. Yes, part of it is on the homestead.

Q. Where is the rest of it?

A. One of the horses died and I sold the other one.

Q. When did you sell the other one?

A. This last March.

Q. What property have you got in the house?

A. We had our carpets, bedding, stoves, cooking utensils, and everything we have been using. Our piano.

(Testimony of H. J. Breneman.)

Q. Have you moved out any of that stuff since you filed your petition in bankruptcy?

A. Moved out nothing but a few of our best clothes that we wear away. We use the stuff there when we come home. [28]

Q. How often do you come back to your home?

A. Once a week.

Q. You have not worked continuously at the Oregon State Hospital since you filed your petition in bankruptcy, have you? A. No, sir.

Q. I believe the Trustee states that you permitted one D. M. Nayberger to sell the property. I will ask you to tell the Court what was done in that connection?

Mr. LAYTON.—The records are the best evidence of that.

The REFEREE.—Yes, they are.

Mr. COOPER.—I think you are correct about that. One part of the law permits or says if execution is issued and property is attached that the man claiming a homestead, or his wife, or some member of his family, can notify the officer that makes the levy claiming it as a homestead; now that is the evidence I want to offer.

The REFEREE.—He can say what he did. The notice is the best evidence, of course, but he can say what he did.

Q. Did you give Sheriff Ferguson a notice claiming your exemption? A. Yes.

Q. About when did you serve that notice?

A. It was in July 1922.

(Testimony of H. J. Breneman.)

Q. Well, at the same time you gave the sheriff the notice did you leave with the recorder any instrument? [29]

A. Yes, I left him a copy of the notice to be filed and paid for it.

The REFEREE.—You may use that copy which you have and if it is necessary, have it certified.

Mr. COOPER.—I have a certified copy of the notice the same as I have copied in my petition.

Mr. BISCHOFF.—I want to object to evidence regarding the filing of notice with the sheriff or the recorder on the ground that the notice referred to may not operate as sufficient notice to prevent a sale in the proceedings then pending in that court, and it may not operate as sufficient notice to prevent a sale in the present proceeding. As far as I know no notice has ever been given to the bankruptcy court or to the Trustee in Bankruptcy.

Mr. COOPER.—The petition of the bankrupt claims exemption. The Trustee says I am not entitled to my exemption for the reason that I have permitted another party to sell the property.

Mr. BISCHOFF.—I object as far as the State Court is concerned.

The REFEREE.—There seems to be a claim in the schedule filed September 23, 1921.

Mr. BISCHOFF.—I am not questioning that. I am objecting to it so far as the State Court is concerned.

Mr. COOPER.—This is not in the State Court. It is not for that court. It is for this court. Here

(Testimony of H. J. Breneman.)

is my certified copy showing I filed with the recorder notice of my exemption and I filed it on [30] July 28, 1922, and according to our petition the sale was not made until August.

Mr. BISCHOFF.—I object to this notice going into evidence on the ground that it would not affect the Trustee, the claim of exemption would not affect the Trustee, as against the Trustee.

The REFEREE.—Let it go in.

The paper referred to was offered and received as above and marked Bankrupt's Exhibit "C."

Mr. COOPER.—That is all.

Cross-examination by Mr. LAYTON.

Q. How long have you been employed at the State Hospital?

A. I went down there first a year ago last April, I think on the 6th of April, and I worked there until the 8th day of November. At that time I went to the penitentiary as a guard until the 17th of January.

Q. Where did you live while you were in Salem?

A. I stayed at the State Hospital when I was there. I boarded there.

Q. Was your wife with you? A. Yes.

Q. She was employed there also? A. Yes.

Q. And has been employed there all the time you have been employed there?

A. No, not all the time.

Q. When did she go to work there? [31]

A. She quit there last fall. I believe it was August she quit and she went back again in May

(Testimony of H. J. Breneman.)

some time of this year. I don't know the exact date.

Q. You have a family have you not? A. Yes.

Q. Where do your children live?

A. The one boy is working at the State Hospital. The other little boy makes his home at the place, or wherever he can. That is his home.

Q. Where? A. On this little place.

Q. This little place at McMinnville? A. Yes.

Q. What is his name? A. Glen.

Q. Has he not been down to Salem with you?

A. No, sir.

Q. Never been down there?

A. He worked about a month and a half at the farm last spring.

Q. How old is he? A. Eighteen.

Q. Oh. You took the harvest off this place in 1821 did you not? A. Yes.

Q. And used the proceeds thereof for yourself?

A. Yes.

Q. You took the harvest off the place in 1922, did you not? A. Yes.

Q. And used the proceeds for yourself?

A. Yes, for my family. [32]

Q. And you took the harvest off in 1923?

A. Yes.

Q. And used the proceeds? A. Yes.

Q. You have never turned any of that money over to the Trustee in Bankruptcy, have you?

A. No.

Q. You were served with notice from this court

(Testimony of H. J. Breneman.)

to the effect that the Trustee in Bankruptcy should have possession of those proceeds, were you not?

A. Yes.

Q. And at one time you fired the Trustee or the person he put there in charge off that place did you not?

A. The person that I put off was staying there with my boy. He was nothing more than a tramp, and I saw the way he was doing, he was doing my boy no good, and when I came down there and saw the way he was doing I put him off the place.

Q. Threw him off?

A. I told him to get out of there. Nobody put that man on the place. He came there with my boy Glen and he was nothing more than a tramp. That is all he was.

Q. He was put there in charge by the Trustee was he not? A. Not that I know of.

Q. Why don't you answer my question. You put the Trustee off, or the man the Trustee put there in charge?

A. Not that I know of. I don't know who that man was. He was nothing more than a tramp and he was staying there with Glennie, and he had no authority to stay there except from the boy, and I told him to get out of there. He was doing [33] the place and the boy no good by staying there.

Q. Who is in possession of that place now?

A. I am.

Q. Are you living there?

A. I and my boy. I sleep there at nights occasionally. I have it fixed so I can stay there.

(Testimony of H. J. Breneman.)

Q. Anybody else there? A. No.

Q. Who is there in charge to-day?

A. I don't know. I have nobody there to-day.

Q. Your wife is not there to-day, is she?

A. No.

Q. And none of your family is there?

A. My boy drives a milk wagon and he has no other home. If he leaves his job he knows that is his home.

Q. Do you claim to be in possession of this place in dispute notwithstanding the orders of the United States Court?

A. I do not claim that I have always had possession of it.

Q. You are here to-day asking for exemption on that property?

A. I have asked for exemption because that is my home.

Q. How much money have you taken off that place since the Trustee was appointed by this court?

A. It would be pretty hard for me to say exactly how much I have got out of the place at any time. It never has been much. I have not kept account of it. About a year ago they questioned my right to the crops. I did all the work and paid for keeping the place up. I think I might have had \$250 after all the expenses were paid. Maybe not that much. I have some hay in the barn now. I plowed the ground myself last fall and put it [34] in and had the hay cut and baled. I think there are something like eight tons. No great amount.

(Testimony of H. J. Breneman.)

The REFEREE.—Have you had a crop this year?

A. Yes, there was a very small crop. I think I got something like \$95 for the prunes this year.

Q. You never put any improvements on this place since you filed your petition in bankruptcy?

A. No, except putting in the hay and attending to that, and keeping the house in repair.

Q. You have never spent a dollar on that place, have you?

A. Yes, I have. I spent several dollars this spring and have done quite a lot of work on it myself which is worth a good deal.

Q. As a matter of fact, you have abandoned the place and allowed it to run wild and that is its condition at the present time? A. No, sir.

Q. I guess the place would speak for itself. It has nobody there looking out for it?

A. My oldest son was down there Sunday all day.

Q. Did you take any of your household effects with you to Salem?

A. Don't need them. We have everything furnished there.

Q. The only reason you did not take any of them away was because you did not need them?

A. I wanted the place furnished so we could come home whenever we wanted to. That is our home. The only home we have.

Q. Did you take any of your household goods off that place?

A. Nothing went off that place but the stock

(Testimony of H. J. Breneman.)

except what somebody stole. In the last thirty days somebody broke the lock [35] and stole the clock off the shelf. Where the clock is I could not say.

Q. Now let us get an answer to my question. Did you take any of your personal effects off that place? A. My clothes.

Q. I mean any of your household furniture?

A. We took the sewing machine up to the State Hospital two weeks ago.

Q. What else? A. That is all.

Q. That answer stands now. All you have taken off this place is just this sewing-machine, of your household effects?

A. Of our household furniture. There are four beds, the carpets are on the floors, the stove is there, everything was there ten days ago.

Q. Your wife has taken nothing?

A. She has not taken anything.

Q. The sewing-machine is all you have taken?

A. That is all.

Q. Both you and your wife draw a salary for your services at Salem? A. Yes.

Q. The Circuit Court never gave you an order setting aside that property as exempt, did it?

A. The Judge told me I had my exemption.

Q. The Court down there at McMinnville?

A. If it did, I don't know. There have been so many papers and things that I don't know what they all were.

Q. There was an injunction proceeding to stop

(Testimony of H. J. Breneman.)

them from [36] selling the property on account of your exemption?

A. Newbauer.

Q. Didn't you try to stop Neubauer?

Mr. COOPER.—I object to that. The record is the best evidence. I will tell you about that. He did. I have a copy of the complaint.

Mr. LAYTON.—Put that in the record. That issue was raised entirely on the exemption claim.

Mr. COOPER.—No, it was not.

The REFEREE.—The record is the best evidence on that subject.

Mr. BISCHOFF.—The exemption action came on before Judge Belt and the complaint was dismissed.

The REFEREE.—I don't see what that has to do with this matter anyway.

Mr. LAYTON.—Put the whole record in in that case. Let it go for what it is worth.

Mr. COOPER.—The reason was that the sale had already been made and you could not enjoin a thing that had already been done.

Mr. LAYTON.—That presents an interesting question, if the property had already been sold.

The REFEREE.—I do not think we are concerned with what took place in the State court.

The REFEREE.—I don't think that court had any jurisdiction.

Mr. BISCHOFF.—It had not in the H. J. Breneman case, but as far as the Edith Breneman is concerned that is a different matter. [37]

That claim was more than four months.

Mr. COOPER.—No, it is not. I can show the Court the dates in the matter of the State court.

The REFEREE.—Did you have a lien on this property four months before the petition in bankruptcy was filed?

Mr. BISCHOFF.—Not in the Edith Breneman matter. We levied on both.

The REFEREE.—Is that all?

Mr. COOPER.—That is all.

Mr. LAYTON.—That is all.

Filed February 14, 1924. A. M. Cannon, Referee in Bankruptcy.

Filed February 27, 1924. G. H. Marsh, Clerk.
[38]

AND AFTERWARDS, to wit, on the 27th day of February, 1924, there was duly filed in said court the certificate of the referee for review, in words and figures as follows, to wit: [39]

In the District Court of the United States for the District of Oregon.

No. B.-5930.

In the Matter of H. J. BRENEMAN, Bankrupt.

REFEREE'S CERTIFICATE ON REVIEW OF
ORDER DENYING BANKRUPT'S PETI-
TION FOR A HOMESTEAD EXEMPTION
AND ALLOWING PETITION OF TRUS-
TEE TO SELL FREE FROM LIENS.

To the Honorable the District Court Above Named:
The undersigned Referee in Bankruptcy hereby

certifies that in the course of proceedings heretofore taken in this matter an order was taken on January 22, 1924, denying the petition of the bankrupt for an order declaring and setting aside to him as exempt a homestead of the real property described in the schedules and in the various petitions and orders of record herein, and at the same time granting the petition of the trustee for an order to sell said property free from liens, and that thereafter the said bankrupt, being aggrieved at the order so made, filed his petition for review, which petition was allowed; and so the question for decision is the legality of the order so made.

The order itself sets forth such facts as may be necessary to an understanding of the situation and the reasons for the making of the order so that the same need not now be repeated in this certificate.

I hand up herewith the following papers.

Petition to sell free from liens.

Bankrupt's answer thereto.

Petition of bankrupt to set aside real property as exempt.

Answer of Trustee thereto.

Copy of order under review.

Petition for review.

All the testimony taken upon the petitions.

Respectfully submitted this 26th day of February, 1924.

A. M. CANNON,
Referee.

Filed February 27, 1924. G. H. Marsh, Clerk.

AND AFTERWARDS, to wit, on the 2d day of April, 1924, there was duly filed in said court an order of Court affirming the order of the Referee, in words and figures as follows, to wit: [41]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ORDER ON REVIEW OF REFEREE'S ORDER DENYING BANKRUPT'S PETITION FOR A HOMESTEAD EXEMPTION AND ALLOWING PETITION OF TRUSTEE TO SELL FREE FROM LIENS.

This matter coming on for hearing before this court upon the petition for review of said bankrupt of an order entered herein by the Referee before whom this estate is pending, which order denied the petition of said bankrupt for a homestead exemption and allowed the petition of the trustee to sell free from liens, and this Court having duly examined the records and files of this case and considered the same, and finding the order of the referee therein is well considered and proper:

IT IS THEREFORE ORDERED that the order heretofore entered by A. M. Cannon, Esq., Referee, denying the homestead exemption claimed by said H. J. Breneman and approving the petition of the trustee to sell the real property therein described free and clear of liens, be and the same is approved and confirmed in all respects.

Dated this 2d day of April, 1924.

CHAS. E. WOLVERTON,

Judge.

Filed April 2, 1924. G. H. Marsh, Clerk. [42]

AND AFTERWARDS, to wit, on the 8th day of August, 1924, there was duly filed in said court a praecipe for transcript, in words and figures as follows, to wit: [43]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

PRAECIPE FOR TRANSCRIPT.

To the Clerk of the District Court of the United States for the District of Oregon:

Please make transcript of the following papers in the above-entitled matter:

1. The following portion of Schedules B-3 of the Schedules in Bankruptcy:

“STATEMENT OF THE PROPERTY
CLAIMED AS EXEMPT BY YOUR
PETITIONER.

* * * * *

“Homestead upon which your petitioner has lived and occupied as his home since 1914, of which the following is a description:

“Commencing at a point 2278 chains west of the southeast corner of the S. F. Staggs

and Minerva J. Staggs Donation Land Claim. Notification No. 1211, claim No. 55, in Township 4 South of Range 4 West of the Willamette Meridian, and running thence west 7.51 chains; thence north $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, containing about 10 acres; also the west half of the South Park subdivision, the same being a subdivision in the above named and numbered Donation Land Claim of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said County and State . . . \$2,000.00.”

2. Petition of Bankrupt filed with the Referee June 13, 1923, praying that homestead claimed as exempt be set aside to him.
3. Answer of Trustee to Bankrupt's petition for exemption. [44]
4. Petition of M. F. Corrigan, Trustee, filed with, the Referee on the 19th day of June, 1923, praying for an order to show cause why property should not be sold free and clear of lien.
5. Answer of H. J. Breneman, Bankrupt, to the petition for an order to show cause filed with the Referee on the 12th day of July, 1923.
6. Transcript of testimony upon the hearing in the matter of H. J. Breneman, Bankrupt,

- B-6404, and E. Breneman, Bankrupt, B-6930, beginning on p. 7 of the transcript and continuing to the end. (The transcript beginning at the top of p. 2 and continuing to the bottom of p. 7 may be omitted, said testimony having been taken in the matter of Edith Breneman, Bankrupt.)
7. Order of Referee of January 22, 1924.
 8. Petition to review order of Referee filed with said Referee on the 8th day of February, 1924.
 9. Certificate of Referee upon petition for review filed on the 24th day of February, 1924.
 10. Order filed April 2, 1924, confirming order of Referee.
 11. Petition of Bankrupt to review dated May 16, 1924.
 12. Notice of filing petition of Bankrupt to review dated May 16, 1924.
 13. Order of District Court extending time within which to file petition for review, dated May 16, 1924.
 14. Praecept for this transcript.

And file said transcript with the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

W. L. COOPER,
SIDNEY TEISER,
Attorneys for Bankrupt.

State of Oregon,
County of Multnomah,—ss.

Service of the within praecipe is hereby accepted

in Multnomah County, Oregon, by receiving a copy thereof duly certified.

W. B. LAYTON,
Attorney for Trustee.

Filed August 8, 1924. G. H. Marsh, Clerk. [45]

TRANSCRIPT OF RECORD REQUESTED BY THE TRUSTEE, BY HIS PRAECIPE FILED HEREIN, EXCEPT SUCH PARTS OF THE RECORD AS HAVE ALREADY BEEN INCLUDED IN THIS TRANSCRIPT IN ACCORDANCE WITH THE PRAECIPE FILED BY THE BANKRUPT.

AND, to wit, on the 31st day of March, 1922, there was duly filed with the Referee in Bankruptcy of said Court objections of the Trustee to bankrupt's claim to have property set aside as exempt, in words and figures as follows, to wit:
[46]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

OBJECTIONS OF TRUSTEE TO BANKRUPT'S CLAIM TO HAVE REAL PROPERTY SET ASIDE AS EXEMPT.

To the Honorable CHARLES E. WOLVERTON and the Honorable ROBERT S. BEAN, Judges of the District Court of the United States for the District of Oregon:

Your petitioner, M. F. Corrigan, would represent to the Court that he is the duly appointed, qualified

and acting Trustee of the estate of the above-named bankrupt.

That he hereby objects to the claim of the bankrupt to have set aside, as a homestead, the real property described and claimed as exempt in Schedule "B" (3) of the bankrupt's petition of bankruptcy on file in the above-entitled court, for the reason that the said bankrupt has no just claim to a homestead in the said lands and the said lands are not exempt.

M. F. CORRIGAN,
Trustee.

State of Oregon,
County of Yamhill,—ss.

I, M. F. Corrigan, being first duly sworn, say, that I am Trustee in the above-entitled matter, and that the facts set forth in the foregoing objection to exempt property are true, as I verily believe.

M. F. CORRIGAN.

Subscribed and sworn to before me this 29th day of March, 1922.

[Notarial Seal]

LAMAR TOOZE,
Notary Public for Oregon.

My commission expires Sept. 25, 1925. [47]

State of Oregon,
County of Multnomah,—ss.

Due service of the within objections of Trustee, etc., and the receipt of a copy thereof duly prepared and certified by Lamar Tooze, one of the attorneys

for trustee, is hereby admitted in said County and State, this 31st day of March, 1922.

W. L. COOPER,
Attorney for _____.

Filed March 31, 1922. A. M. Cannon, Referee in Bankruptcy.

Filed August 26, 1924. G. H. Marsh, Clerk.
[48]

AND AFTERWARDS, to wit, on the 28th day of June, 1922, there was duly filed in said court a petition in bankruptcy by Edith Breneman, with Schedules A and B annexed thereto. So much of Schedule B as is requested by the praecipe of the Trustee, in words and figures as follows, to wit: [49]

In the District Court of the United States for the District of Oregon.

No. B.-6404.

In the Matter of EDITH BRENEMAN, Bankrupt.
PETITION IN BANKRUPTCY OF EDITH
BRENEMAN.

SCHEDULE B.—STATEMENT OF ALL PROP-
ERTY OF BANKRUPT.

Schedule B-1. REAL ESTATE.

None.

EDITH BRENEMAN,
Bankrupt.

Schedule B-5.

A particular statement of the property claimed as exempted from the operation of the Acts of Congress relating to bankruptcy, giving each item of property, and its valuation, and if any portion of it is real estate, its location, description and present use.

Property claimed to be exempted by
 State laws; its valuation; whether
 real or personal; its description NONE.
 and present use; and reference
 given to the statute of the State
 creating the exemption.

EDITH BRENEMAN,
 Bankrupt.

Petition for Adjudication and Schedules. Filed
 June 28, 1922. G. H. Marsh, Clerk. [50]

AND AFTERWARDS, to wit, on the 7th day of
 October, 1922, there was duly filed with the
 Referee in Bankruptcy in the case of H. J.
 Breneman, bankrupt, a petition of the trustee
 for possession of real estate, in words and
 figures as follows, to wit: [51]

In the District Court of the United States for the
 District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

TRUSTEE'S PETITION FOR POSSESSION
 OF REAL ESTATE.

Comes now M. F. Corrigan, the duly elected,

qualified and acting trustee in this estate, and respectfully represents and petitions the Court as follows:

That at the time of the filing of the petition herein the bankrupt and his wife claimed to be the owners of and as tenants by the entirety of the following described real property:

The south one-half of the following premises:

Beginning at an iron pipe set for the quarter section corner of the south line of section No. 13, in T. 5 S. R. 4 west of the Willamette Meridian in said Yamhill County, Oregon; thence running north 89 degrees 24' east 33.49 chains to an iron pipe set in the center of county road now there; thence north 52' east along center of said road 16.93 chains to an iron pipe set at an angle in said road; thence running north 15 Deg. 33' east along center of said road 9.393 chains to an iron rod; thence running west 50.583 chains to an iron pipe on west line of lot No. 11 of Walnut Hill Plat No. 2; thence south along west line of said lot 11 above named 13.60 chains to southwest corner of said lot No. 11; thence east 5.80 chains to southeast corner of said lot No. 11 above named; thence south 12.93 chains to the southeast corner of said Walnut Hill Plat No. 2 above named on section line; thence east 8.52 chains to place of beginning and containing 120 acres more or less.

Thereafter, and on or about the 28th day of June, 1922, Edith Breneman, wife of the bankrupt,

filed her certain petition in this court to be adjudged a bankrupt, and on said day was duly and regularly adjudged a bankrupt.

That your petitioner has been and now is the duly elected, qualified and acting Trustee of the estate of Edith Breneman, the wife of the bankrupt herein.

That the bankrupt and his wife are in possession of the real property hereinbefore described and have failed, neglected and refused to give possession thereof to your Trustee.

That your Trustee is informed and believes, and therefore alleges the fact to be, that the value of said real estate is not less than \$7,000.00 nor more than \$12,000, and your Trustee is informed and believes, and therefore alleges the fact to be [52] that said bankrupt and his wife are offering said real estate for sale for the sum of \$12,000.00; that your petitioner as Trustee of this estate and as Trustee of the estate of Edith Breneman, advises that he is entitled to the possession of said real estate and that all the right, title and interest of either of said bankrupts in and to said property by virtue of said bankruptcy proceedings had passed to your Trustee.

WHEREFORE, your Trustee prays for an order of this Court requiring said bankrupt to show cause why an order should not be entered herein directing the possession of said property to be forthwith turned over to your Trustee, and for

such other and further orders as may be necessary and proper.

M. F. CORRIGAN,
Trustee.

United States of America,
State of Oregon,
County of Multnomah,—ss.

I, M. F. Corrigan, being first duly sworn, depose and say that I am Trustee of the within entitled estate; that I have read and signed the foregoing petition and that the same is true as I verily believe.

M. F. CORRIGAN.

Subscribed and sworn to before me this 6th day of October, 1922.

[Seal]

N. RAY ALBER,
Notary Public for Oregon.

My commission expires Aug. 7, 1925.

Filed October 7, 1922. A. M. Cannon, Referee in Bankruptcy.

Filed January 12, 1923. G. H. Marsh, Clerk.
[53]

AND AFTERWARDS, to wit, on the 7th day of October, 1922, there was duly filed with the Referee in Bankruptcy an order of the said Referee for H. J. Breneman to show cause why the petition of the Trustee should not be granted, in words and figures as follows, to wit:
[54]

In the District Court of the United States for the
District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ORDER TO SHOW CAUSE WHY PETITION
OF TRUSTEE SHOULD NOT BE
GRANTED.

This matter coming on for hearing at this time upon the petition of the Trustee for an order requiring the bankrupt herein to show cause why the possession of certain real estate should not be turned over to the Trustee.

IT IS ORDERED that said bankrupt be and he is hereby required to show cause, if any he has, before this Court on the 23d day of October, 1922, at 11 o'clock A. M. thereof, or as soon thereafter as counsel can be heard, why the prayer of said petition should not be granted; and

IT IS FURTHER ORDERED, that a copy of said petition, together with a copy of this order be served on the bankrupt in person forthwith.

A. M. CANNON,
Referee.

Dated this 7th day of October, 1922.

Filed October 7, 1922. A. M. Cannon, Referee
in Bankruptcy.

Filed August 26, 1924. G. H. Marsh, Clerk.
[55]

AND AFTERWARDS, to wit, on the 2d day of December, 1922, there was duly filed with the Referee in Bankruptcy an order of the said Referee directing the bankrupt to deliver possession of real estate to the trustee, in words and figures as follows, to wit: [56]

In the District Court of the United States for the District of Oregon.

Nos. 5930 and 6404.

In the Matter of H. J. BRENEMAN and EDITH BRENEMAN, Bankrupts.

ORDER ON TRUSTEE'S PETITION FOR POSSESSION OF REAL ESTATE.

These are the cases of husband and wife. The H. J. Breneman case is No. 5930 and he was adjudicated bankrupt on September 21, 1921. Edith Breneman's case is No. 6404, and she was adjudicated on June 28, 1922. At the dates of their adjudications they were owners by an estate in entirety covering a tract of land of about twenty-two and one-half acres situate in the outskirts of McMinnville, Oregon, and described in the schedules and in the petitions now before the Court by metes and bounds. This property has a value estimated all the way from seven to twelve thousand dollars. Identical petitions have been filed by the Trustee in both cases in which he sets up that he is entitled to possession of this real estate, having acquired by the adjudication all the right, title and interest

of either or both of the bankrupts in and to the same. This petition is resisted by the bankrupts upon the theory that, it being an estate by the entirety, the Trustee is not interested in the same, cannot sell or dispose of it, and is not entitled to the possession thereof.

It has been held by the Supreme Court of Oregon in the case of *Howell vs. Folsom*, 38 Or. 184, that a married woman may mortgage her present interest in an estate by the entirety and that the mortgagee is entitled to foreclose and sell such interest under a decree of Court and that the purchaser takes the fee of the alienating spouse. And it seems quite generally to be held that the interest of either husband or wife as tenants by the entirety may be levied upon and sold to satisfy judgments or claims against either of them, and that the judgment creditor in such case acquires the estate subject to the contingency that the remaining spouse may claim the entire fee if said spouse survives the other. See: [57]

Hiles vs. Fisher, 144 N. Y. 306.

Buttlar vs. Rosenblatt, 42 N. J. Eq. 651.

Ames vs. Norman, 4 Sneed, 684.

The Bankruptcy Act, Sec. 70, legislates as follows:

“The Trustee of the estate of a bankrupt, upon his appointment and qualification, and his successor or successors, if he shall have one or more, upon his appointment or their appointment and qualification, shall in turn be vested by operation of law with the title of the bankrupt, as of the date he was adjudi-

cated a bankrupt, * * * to all * * * (5) property which, prior to the filing of the petition, he could by any means have transferred or which might have been levied upon or sold under judicial process against him.”

The Supreme Court of Oregon has never said to this date, so far as I can find, that an estate by the entirety may be levied upon and sold against either spouse, but that does not seem to be important in the present case because that Court has said that either spouse may transfer his interest by mortgage and, by a parity of reasoning, by deed of conveyance. Hence this property is such that either spouse might, prior to the filing of the petition herein, by mortgage or deed have transferred his or her fee therein, and to such property the Trustee takes title as of the date of the adjudication. So it would appear the Trustee has the entire fee in the property, and the only question seems to be what, in the state of the record, is his present interest in it and what can he do with it?

It goes without saying that the two bankrupts, husband and wife, could by their joint deed have conveyed this property and thus have destroyed the right of survivorship of each and the grantee in such deed, would thereby take the entire estate free of any such claim, on the part of either, after the death of one. I can see no difference in what has taken place in this instance. By force of the bankruptcy statute each has transferred the fee to a Trustee by voluntary act in signing the petition in bankruptcy, which is in effect a conveyance by a bankrupt. Therefore it must follow thereby they

have destroyed the right of survivorship of each and their Trustees hold the property as tenants in common. It certainly seems logical to me to say that when both tenants in entirety part with the fee by voluntary transfer they thereby destroy the right of survivorship. If this is correct of course the Trustee in this instance is the owner of this property, is entitled to [58] possession, and takes subject to no claim of either bankrupt.

The question seems to be more or less novel and one of first impression; at least I have found no authority that bears directly upon the situation presented by this record nor has one been cited. Reasoning from analogy, the above is the only conclusion I can be satisfied with.

I therefore adjudge that the Trustee is entitled to the possession of the property, and the bankrupts are hereby directed to surrender possession to him upon his further demand therefor.

Dated at Portland, Oregon, December 2, 1922.

A. M. CANNON,
Referee in Bankruptcy.

Filed December 2, 1922. A. M. Cannon, Referee in Bankruptcy.

Filed January 12, 1923. G. H. Marsh, Clerk.
[59]

AND AFTERWARDS, to wit, on the 11th day of December, 1922, there was duly filed with the Referee in Bankruptcy a petition of the bankrupt for review of the order of the referee, directing bankrupt to deliver real estate to the trustee, in words and figures as follows, to wit:
[60]

In the District Court of the United States for the District of Oregon.

No. 5930.

In the Matter of H. J. BRENEMAN, Bankrupt.

PETITION BY BANKRUPT TO REVIEW AN
ORDER OF THE REFEREE ORDERING
PROPERTY TURNED OVER TO THE
TRUSTEE.

The petition of H. J. Breneman, bankrupt, respectfully represents that on the 2d day of December, 1922, manifest error to the prejudice of the complainant was made by the referee in said matter and in the findings and order directing that your Petitioner turn over to the Trustee the following described property, situate in Yamhill County, Oregon:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4 S. R. 4 W. of the Will. Mer., and running thence West 7.51 chains; thence North $13\frac{1}{3}$ chains; thence East 7.51

chains; thence South $13\frac{1}{3}$ to the place of beginning, and containing 10 acres.

ALSO: The West half of the "South Park Subdivision," the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of conveyances in and for said county and State.

The errors complained of are:

First. The record in this case, which was before the Referee, shows that H. J. Breneman was adjudged a bankrupt on the 21st day of September, 1921, and listed as liabilities the sum of \$4059.00, and as assets, among other things, the following real property:

Commencing at a point 2278 chains west of the Southeast corner of the S. F. Staggs and Minerva J. Staggs Donation Land Claim, Notification No. 1211 claim No. 55, in Township 4 South of Range 4 West of the Willamette Meridian, and running thence West 7.51 chains; thence North $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, containing about 10 acres; also the west half of the South Park Subdivision, the same being a subdivision in the above named and numbered Donation Land Claim of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land as the same appears upon the duly recorded plat of said subdivision now

of record in the office of the recorder of conveyances in and for the said County and state, [61] as shown in Schedule B, page 1.

Second. The evidence or record shows that your petitioner claims the real estate listed in Schedule B, page 1 as exempt under the laws of the State of Oregon, as his homestead.

Third. The Trustee in Bankruptcy never set apart the property claimed as exempt as shown by the record in this case.

Fourth. That on the 31st day of March, 1922, the Referee in Bankruptcy made an order in this case stating that the property described in Schedule B was an asset of the estate.

Fifth. That the Referee erred in his opinion in holding that by reason of your petitioner being adjudged a bankrupt on September 21, 1921, that the said property as described in Schedule B was conveyed to the trustee as tenant in common with your petitioner's wife. The Referee erred in finding that the trustee of the estate of your petitioner can hold the property under Bankrupt Act, Sec. 70.

Sixth. The referee erred in finding that by reason of filing the petition in bankruptcy by one spouse the estate by entirety is changed to an estate in common.

Seventh. The Referee erred in finding that the title to real property held by a deed known as a deed by the entirety passes to the trustee as of the date of adjudication.

Eighth. The Referee erred in his Conclusions of Law from the evidence and the record offered at said hearing.

WHEREFORE, your petitioner prays that the order of said Referee may be reviewed by your Honorable Judge in this Court.

Your petitioner ever prays.

W. L. COOPER,
Attorney for Petitioner.

H. J. BRENEMAN,
Petitioner. [62]

United States of America,
District of Oregon,—ss.

I, H. J. Breneman, petitioner mentioned and described in the foregoing petition, do hereby make solemn oath that the statements therein are true and correct to the best of my knowledge, information and belief.

H. J. BRENEMAN.

Subscribed and sworn to before me this 11 day of December, A. D. 1922.

[Notarial Seal]

M. J. SPURLIN,
Notary Public for Oregon.

My commission expires April 27, 1924.

Received December 11, 1922. A. M. Cannon,
Referee.

Filed January 12, 1923. G. H. Marsh, Clerk.
[63]

AND AFTERWARDS, to wit, on the 12th day of January, 1923, there was duly filed in the said court, a certificate of the Referee in Bankruptcy for review of the order directing bankrupt to deliver possession of real estate to the trustee, in words and figures as follows, to wit:
[64]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN and EDITH BRENEMAN, Bankrupts.

REFEREE'S CERTIFICATE ON REVIEW OF ORDER DIRECTING THE SURRENDER OF CERTAIN PROPERTY.

The undersigned Referee in Bankruptcy before whom the above-mentioned cause is pending for administration hereby certifies that on the 2d day of December, 1922, an order was made in each of said causes, that of H. J. Breneman being cause No. 5930, and that of Edith Breneman being cause No. 6404, ordering and directing each of said bankrupts to deliver to the Trustee possession of a tract of real property situate in Yamhill County, Oregon, and particularly described in the petition of the Trustee praying for the order complained of; that after the making of said order, which is identical in each case, the bankrupts being aggrieved thereat, filed their petitions for review which were allowed, and the question for decision is whether the order was correct in the premises.

The facts and law relating to the same are set forth in the order complained of sufficiently to present the precise question before the Court, and need not in this certificate be repeated.

I hand up as a part of this certificate:

1. Petition of Trustee for possession in the H. J. Breneman case with which the petition in the Edith Breneman case is identical.
2. The orders to show cause.
3. The order complained of.
4. The petitions for review.

Respectfully submitted this 11th day of January, 1923.

A. M. CANNON,
Referee in Bankruptcy.

Filed January 12, 1923. G. H. Marsh, Clerk.
[65]

AND AFTERWARDS, to wit on the 7th day of May, 1923, there was duly filed in said court, an order by R. S. Bean, District Judge, affirming the order of the Referee requiring bankrupt to deliver possession of real estate to Trustee, in words and figures as follows, to wit:
[66]

In the District Court of the United States for the
District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ORDER AFFIRMING AND SUSTAINING DECISION OF REFEREE WITH RESPECT TO TITLE TO CERTAIN REAL ESTATE.

This matter came on for hearing on the petition of the bankrupt to review the order of the Referee, by virtue of which it was adjudged that the Trustee of this estate and Trustee of the estate of Edith Brenneman, the same being No. 6404, pending in this court for administration, had acquired title to and is entitled to possession of the following described real estate:

Beginning at an iron pipe set for the quarter section corner of the south line of section No. 13, in T. 5 S. R. 4 west of the Willamette Meridian in said Yamhill County, Oregon; thence running north 89 degrees 24 minutes east 33.49 chains to an iron pipe set in center of county road now there; thence north 52' along center of said road 16.93 chains to an iron pipe set at an angle in said road; thence running north 15 degrees 33 minutes east along center of said road 9.393 chains to an iron rod; thence running west 50.583 chains to an iron pipe on west line of lot No. 11 of Walnut Hill Pat. No. 2; thence south along west line of said lot 11; thence east 5.80 chains to southeast corner of said lot No. 11 above named; thence south 12.93 chains to the southeast corner of said Walnut Hill plat No. 2 above named on section line; thence east 8.52 chains to place of beginning, and containing 120 acres more or less.

And the Court having taken the matter under advisement, finds no errors as alleged, or otherwise, in the making and entering of said order by the Referee herein;

IT IS THEREFORE ORDERED that the order of the Referee, dated the second day of September, 1922, be and the same is hereby affirmed.

AND IT IS FURTHER ORDERED that the said petition of the bankrupt for revision be and the same is hereby dismissed;

AND IT IS FINALLY ORDERED that the title to the following described real estate be and the same is hereby adjudged to be in M. F. Corrigan, the Trustee of this estate and M. F. Corrigan, and Trustee of the estate of Edith Brenneman, a bankrupt, whose estate is now pending in this court for administration: [67]

Beginning at an iron pipe set for the quarter section corner of the south line of section No. 13 in T. 5 S. R. 4 west of the Willamette Meridian in said Yamhill County, Oregon; thence running north 89 degrees 24 minutes east 33.49 chains to an iron pipe set in the center of county road now there; thence north 52' along center of said road 16.93 chains to an iron pipe set at an angle in said road; thence running north 15 degrees 33 minutes east along center of said road 9.393 chains to an iron rod; thence running west 50.583 chains to an iron pipe on west line of lot No. 11 of Walnut Hill Pat. No. 2; thence south along west line of said lot 11; thence east 5.80 chains to the southeast corner of said lot No. 11 above named; thence south

12.93 chains to the southeast corner of said Walnut Hill plat No. 2 above named on section line; thence east 8.52 chains to place of beginning and containing 120 acres more or less.

And that said Corrigan be and he is hereby entitled to immediate possession thereof, subject only to such homestead exemption rights as either of said bankrupts may have in or to said property.

R. S. BEAN,
Judge.

Dated this 30th day of April, 1923.

Filed May 7, 1923. G. H. Marsh, Clerk. [68]

AND AFTERWARDS, to wit on the 13th day of July, 1923, there was duly filed with the Referee in Bankruptcy an answer of D. M. Nayberger to the petition of the Trustee for an order to sell real estate free from liens, in words and figures as follows, to wit. [69]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. Breneman, Bankrupt.

ANSWER TO PETITION AND ORDER TO SHOW CAUSE WHY CERTAIN REAL ESTATE SHOULD NOT BE SOLD FREE OF LIENS.

Comes now D. M. Nayberger and for his answer to the petition and order to show cause why the

Trustee of the above-entitled estate should not sell certain real property free of liens and alleges:

I.

That on and prior to September 21, 1921, H. J. Breneman the bankrupt above named and Edith Breneman, his wife, were the owners as tenants by the entirety of the certain real property situated in Yamhill County, State of Oregon, and described as follows, to wit:

Commencing at a point 22.785 chains west of the southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C., Not. No. 1211, Claim No. 55, in T. 4 S. R. 4 W. of the Will. Mer., and running thence west 7.51 chains; thence north $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, and containing 10 acres.

Also: The west half of the "South Park Subdivision," the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said county and state. [70]

II.

That at all the times herein stated the said Harry J. Breneman and Edith Breneman were and still are husband and wife living together with their children upon the aforesaid real property as a family.

III.

That between September 1, 1919, and July 17, 1921, D. M. Nayberger sold and delivered to the said Harry J. Breneman and Edith Breneman, his wife, in Yamhill County, Oregon, at their special instance and request certain goods, wares and merchandise, to wit: clothing, shoes, thread, buttons, gloves, handkerchiefs, ties, boots, pins, dress goods and dry-goods of various kinds for the use of the aforesaid family, of the reasonable value of \$989.39 no part of which has been paid for except the sum of \$293.40, leaving a balance due thereon for the sum of \$695.99.

IV.

That the aforesaid indebtedness for the expenses of the family were and are chargeable upon the property of the aforesaid Harry J. Breneman and Edith Breneman, his wife, pursuant to the provisions of Sec. 9748, Ore. Laws.

V.

That on September 21, 1921, Harry J. Breneman filed a voluntary petition in bankruptcy in the District Court of the United States for the District of Oregon and was adjudicated a bankrupt on September 22, 1921.

VI.

That on October 19, 1921, D. M. Nayberger, duly commenced an action in the Circuit Court of the State of Oregon, for Yamhill County, against the above-named bankrupt and Edith Breneman, his wife, upon the aforesaid claim for family expenses for the purpose [71] of establishing the charge against the aforesaid real property.

VII.

That thereafter and on October 19, 1921, a summons was duly issued in the aforesaid action and thereafter on October 19, 1921, a writ of attachment was issued out of and under the seal of the said court in said action to the Sheriff of Yamhill County, State of Oregon, and pursuant to said writ of attachment the Sheriff of Yamhill County, State of Oregon, did duly levy on and attach all of the right, title and interest of the said Harry J. Breneman and Edith Breneman in and to the aforesaid real property.

VIII.

That thereafter the aforesaid summons and complaint were duly served on the said Harry J. Breneman and Edith Breneman, his wife, and thereafter such proceedings were duly had and taken; that on June 3, 1922, judgment was duly given and entered in the aforesaid action in the Circuit Court of the State of Oregon for Yamhill County, in favor of the said D. M. Nayberger and against the said Harry J. Breneman and Edith Breneman, his wife, for the sum of \$695.99, with interest thereon at the rate of six per cent per annum from and after June 3, 1922, together with the sum of \$21.30 costs and disbursements incurred in said action, and in and by the terms of said judgment it was further adjudged that all of the right, title and interest of the aforesaid Harry J. Breneman and Edith Breneman, his wife, in and to the aforesaid real property be sold and the proceeds applied to the satisfaction of said judgment.

IX.

A true and correct copy of said judgment is attached hereto and marked Exhibit "A" and is referred to as if herein fully [72] and at length set forth.

X.

That thereafter on June 28, 1922, an execution was duly issued out of and under the seal of the Circuit Court of the State of Oregon, Yamhill County, in the aforesaid action directed to the Sheriff of Yamhill County, Oregon, to satisfy the aforesaid judgment and to sell the aforesaid real property.

XI.

That thereafter on June 28, 1922, Edith Breneman filed a voluntary petition in bankruptcy in the District Court of the United States for the District of Oregon, and was adjudicated a bankrupt on that day.

XII.

That pursuant to the aforesaid writ of execution issued in the aforesaid action out of the Circuit Court of the State of Oregon for the County of Yamhill, the Sheriff of Yamhill County, State of Oregon, did on August 18, 1922, duly sell, in the manner provided by law, all of the right, title and interest of the said Harry J. Breneman and Edith Breneman, in and to the aforesaid real property to D. M. Nayberger, for the sum of \$739.15, which is the highest and best sum bid therefor and which was the amount of the judgment, interest and accrued costs at the time of said sale, subject to the statu-

tory right of redemption of the said Harry J. Breneman and Edith Breneman, his wife.

XIII.

That thereafter an order was duly made and entered in the aforesaid Circuit Court of the State of Oregon, for Yamhill County, in the aforesaid action confirming the said sale on execution.

XIV.

That by reason of the premises and the facts set forth [73] herein the indebtedness incurred by the bankrupt and Edith Breneman, his wife, more than four months prior to the adjudication of the above-named bankrupt was and continued to be a charge or lien upon the real property owned by the bankrupt, which charge or lien was prior and superior to the right, title and interest acquired by the Trustee in Bankruptcy, and the title of the Trustee in Bankruptcy is therefore subject to the charge or lien in favor of D. M. Nayberger.

XV.

That by virtue of the aforesaid writ of attachment issued and levied upon the property of Edith Breneman on October 19, 1921, more than four months prior to her adjudication as a bankrupt, created a subsisting lien in favor of D. M. Nayberger, which was prior and superior to the title acquired by the trustee in bankruptcy of the estate of Edith Breneman and the title of said trustee was and is subject to said lien.

D. M. Nayberger therefore objects to the sale of the aforesaid real property free of liens or a sale in any manner whatsoever, and prays that the pe-

tition of the trustee in bankruptcy to sell said property be dismissed.

(Signed) S. J. BISCHOFF. [74]

EXHIBIT "A."

In the Circuit Court of the State of Oregon for
County of Yamhill.

D. M. NAYBERGER,

Plaintiff,

vs.

HARRY J. BRENEMAN and EDITH BRENE-
MAN, His Wife,

Defendant.

JUDGMENT.

Now on this 3d day of June, 1922, this cause coming on regularly to be heard, the plaintiff appearing by his attorneys Vinton & Tooze, and applies to the Court for a judgment by default against the above named defendants.

And it appearing to the Court and the Court finds that the said defendants and each of them are in default and that the said default of the said defendants and each of them has been heretofore entered herein in accordance with law.

IT IS THEREFORE CONSIDERED, ORDERED AND ADJUDGED BY THE COURT that the said plaintiff have and recover of and from the defendants and each of them the sum of \$695.99 together with interest on the said sum of \$695.99 from and after the 3rd day of June, 1922, at the

rate of six per cent per annum and for plaintiff's costs and disbursements in this action taxed at —.

And it further appearing to the Court that F. B. Ferguson, Sheriff of Yamhill County, Oregon, did on the 19th day of October, 192—, in pursuance of a Writ of Attachment issued out of the above entitled Court and dated the 19th day of October, 1921, duly and regularly attach and levy upon the following described premises, to wit: [75]

Situate in Yamhill County, and State of Oregon, to wit: Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4 S., R. 4 W., of the Will. Mer., and running thence West 7.51 chains; thence North $13\frac{1}{3}$ chains; thence East 7.51 chains; thence South $13\frac{1}{3}$ chains to the place of beginning, and containing 10 acres.

Also: The West half of the "South Park Sub-division," the same being a sub-division in the above named and numbered D. L. C. of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said Sub-division now of record in the office of the Recorder of Conveyances in and for said County and State.

That the said Sheriff, F. B. Ferguson, did on the 19th day of October, 1921, file herein his certificate of Attachment in the above entitled cause wherein he certified that he had attached the above described

real premises under and by virtue of said Writ of Attachment,

IT IS THEREFORE CONSIDERED, ORDERED AND ADJUDGED BY THE COURT that the said Sheriff, F. B. Ferguson, of Yamhill County, Oregon, be and he hereby is ordered, directed and empowered and authorized to sell all of the right, title and interest which the said defendants, Harry J. Breneman and Edith Breneman, his wife, had in the above described real premises on the 19th day of October, 1921, and since said date to satisfy the plaintiff's demands in the manner and form governing the sales of real property on execution and to apply the proceeds of the said sale to the satisfaction of the judgment of the plaintiff, D. M. Nayberger, against the said defendants hereinbefore set forth, and if there be any property or proceeds remaining after satisfying the said execution, the said sheriff is directed, ordered, empowered and authorized, upon demand to deliver the same to the said defendants.

HARRY H. BELT,

Judge of the Above-entitled Court. [76]

State of Oregon,

County of Multnomah,—ss.

I, S. J. Bischoff, being duly sworn, depose and say that I am one of the attorneys for D. M. Nayberger, one of the respondents in the above-entitled proceeding; that the foregoing answer is true as I verily believe. The reason this verification is made by me is that said D. M. Nayberger is not now

within the County of Multnomah. That the source of my knowledge and the grounds of my belief as to the matters set forth in this answer are the original records and files of the proceedings referred to in the said answer.

S. J. BISCHOFF,

Subscribed and sworn to before me this 12th day of July, 1923.

[Notarial Seal]

N. D. SIMON,
Notary Public for Oregon.

My commission expires 3/8/24.

Due service of the within answer is hereby admitted and accepted, this 12 day of July, 1923, by receiving a duly certified copy thereof.

_____,
Attorney for _____.

Filed July 13, 1923. A. M. Cannon, Referee in Bankruptcy.

Filed August 26, 1924. G. H. Marsh, Clerk. [77]

AND AFTERWARDS, to wit, on the 12th day of February, 1924, there was duly filed with the Referee in Bankruptcy, an order of said Referee authorizing trustee to protect interest of bankrupt's estate in real property, in words and figures as follows, to wit: [78]

In the District Court of the United States for the
District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ORDER OF REFEREE AUTHORIZING TRUS-
TEE TO PROTECT INTEREST OF BANK-
RUPT'S ESTATE IN REAL PROPERTY.

This matter came on for hearing on the 6th day of February, 1924, upon the request of the Trustee for certain orders with respect to the redeeming or otherwise protecting the interests of this estate from a certain judgment known as the Nayberger judgment, the Trustee being represented by Wm. B. Layton and the Bankrupt being represented by W. L. Cooper, and it being made to appear to the Court that on the 19th day of October, 1921, one D. M. Nayberger started a certain action in the Circuit Court of the State of Oregon for the County of Yamhill, against Harry J. Breneman and Edith Breneman his wife, defendants, for the recovery of a joint account in the sum of \$695.99, together with interest and costs and disbursements incurred, and that by order of the Circuit Court of the State of Oregon for the County of Yamhill, on the 3d day of June, 1922, judgment was entered in said action in favor of the plaintiff and against the defendants for said amount, and which judgment contained the following order:

“And it further appearing to the Court that F. B. Ferguson, Sheriff of Yamhill County, Oregon did on the 19th day of October, 1922,

in pursuance of a Writ of Attachment issued out of the above entitled Court and dated the 19th day of October, 1921, duly and regularly attach and levy upon the following described premises, [79] to wit:

Situate in Yamhill County, and State of Oregon, to wit: Commencing at a point 22.785 chains west of the southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4 S. R. 4 W. of the Will. Mer. and running thence west 7.51 chains; thence north $13\frac{1}{3}$ chains; thence east 7.51 chains; thence south $13\frac{1}{3}$ chains to the place of beginning, and containing 10 acres.

ALSO: The west half of the 'South Park Sub-division,' the same being a sub-division in the above named and numbered D. L. C. of S. F. Staggs and wife, containing $12\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said sub-division now of record in the office of the Recorder of Conveyances in and for said County and State.

That the said Sheriff, F. B. Ferguson, did on the 19th day of October, 1921, file herein his Certificate of Attachment in the above-entitled cause wherein he certified that he had attached the above described real premises under and by virtue of said Writ of Attachment.

IT IS THEREFORE CONSIDERED, ORDERED AND ADJUDGED BY THE COURT that the said Sheriff F. B. Ferguson, of Yamhill County, Oregon, be and he is hereby or-

dered, directed and empowered and authorized to sell all of the right, title and interest which the said defendants, Harry J. Breneman and Edith Breneman, his wife had in the above described real premises on the 19th day of October, 1921, and since said date to satisfy the plaintiff's demands in the manner and form governing the sales of real property on execution and to apply the proceeds of the said sale to the satisfaction of the judgment of the plaintiff, D. M. Nayberger against the said defendants hereinbefore set forth, and if there be any property or proceeds remaining after satisfying the said execution, the said sheriff is directed, ordered, empowered and authorized, upon demand to deliver the same to the said defendants."

And it further appearing that thereafter execution issued on said judgment out of the Circuit Court of the State of Oregon for the County of Yamhill, and that on the 28th day of August, 1922, the sheriff of Yamhill County did sell all of said property to the plaintiff, D. M. Nayberger for the sum of \$739.15, and that thereafter and on the 10th day of February, 1923, the Circuit Court of the State of Oregon for the County of Yamhill did confirm said sale and that said [80] property has not been redeemed from said sale, and that the same may be lost as an asset of this estate unless some steps are taken by the Trustee for the protection of the interest of this estate therein;

IT IS THEREFORE ORDERED that the Trustee be and he is hereby authorized to make an advance to this estate from his own funds of such amount as may be found necessary to protect the interest of this estate in said judgment, either to be used in redeeming said property or otherwise acquiring title thereto;

That in the event that such title to said property is eventually confirmed and settled in this estate or this estate receives the proceeds derived therefrom, after the expenses of this estate are paid there shall be repaid to the Trustee such amount as he may be called upon to advance; otherwise said amount to be determined upon as to its priority and repayment in accordance with the equities of all parties interested, and in accordance with the further order of the Court.

(Signed) A. M. CANNON,
Referee.

Dated this 12 day of February, 1924. [81]

State of Oregon,
County of Multnomah,—ss.

Due and legal service of the within order is hereby accepted in Multnomah County, Oregon, this 11 day of February, 1924, by receiving a copy thereof, duly certified to as such by Wm. B. Layton of attorneys for Trustee.

W. L. COOPER,
Attorney for Bankrupt.

Filed February 12, 1924. A. M. Cannon, Referee
in Bankruptcy.

Filed August 26, 1924. G. H. Marsh, Clerk.
[82]

AND AFTERWARDS, to wit, on the 18th day of March, 1924, there was duly filed with the Referee in Bankruptcy, a report of Trustee, in words and figures as follows, to wit: [83]

In the District Court of the United States for the District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

TRUSTEE'S REPORT.

Comes now M. F. Corrigan, the duly elected, qualified and acting Trustee in the above-entitled estate and respectfully reports to the Court as follows:

That pursuant to orders heretofore made, and after the bankrupt herein refused to redeem from the Nayberger judgment that certain real estate heretofore described in these proceedings, your Trustee was able to enter into an agreement with Nayberger whereby he acquired from him and his wife deed to said property and after sheriff's deed had issued to Nayberger.

That your Trustee advanced and paid to said Nayberger the sum of \$779.68, and has duly recorded with the County Clerk and Recorder of Yamhill County said deed, and has insured said property against loss by fire.

WHEREFORE your Trustee prays for an order of this Court approving all his acts and doings in

and about the administration of this estate up to this time, and for such other and further orders as may be proper.

Respectfully submitted:

(Signed) M. F. CORRIGAN.

Trustee. [84]

State of Oregon,
County of Yamhill,—ss.

I, M. F. Corrigan, being first duly sworn, depose and say that I have read and subscribed the foregoing Trustee's report and that the statements therein contained are true as I verily believe.

(Signed) M. F. CORRIGAN,

Subscribed and sworn to before me this 20th day of February, 1924.

[Seal] (Signed) WALTER L. TOOZE, Jr.,
Notary Public for Oregon.

My commission expires June 10, 1925.

Filed March 18, 1924. A. M. Cannon, Referee
in Bankruptcy.

Filed August 26, 1924. G. H. Marsh, Clerk.
[85]

AND AFTERWARDS, to wit, on the 25th day of August, 1924, there was duly filed in said court, by the Trustee an amended praecipe for transcript, in words and figures as follows, to wit:
[86]

In the District Court of the United States for the
District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

AMENDED PRAECIPE FOR TRANSCRIPT,
SUBMITTED IN BEHALF OF M. F. COR-
RIGAN, TRUSTEE OF THIS ESTATE, AND
RESPONDENT.

To the Clerk of the District Court of the United
States for the District of Oregon:

In addition to the papers requested by the Bank-
rupt, kindly make transcript of the following, and
make corrections as indicated:

I.

September 21, 1921, petition for voluntary ad-
judication of H. J. Breneman, case No. B-5930,
Schedule B-3 thereof as follows:

“STATEMENT OF PROPERTY CLAIMED
AS EXEMPT BY YOUR PETITIONER.

“Homestead upon which your petitioner has
lived and occupied as his home since 1914, of
which the following is a description:

“Commencing at a point 2278 chains west
of the southeast corner of the S. P. Staggs and
Minerva J. Staggs Donation Land Claim. Noti-
fication No. 1211, claim No. 55, in Township
4 South of Range 4 West of the Willamette
Meridian, and running thence west 7.51 chains;
thence north $13\frac{1}{3}$ chains; thence east 7.51
chains; thence south $13\frac{1}{3}$ chains to the place
of beginning, containing about 10 acres; also

the west half of the South Park Sub-division, the same being a subdivision in the above-named and numbered Donation land claim of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said County and State (Deed to this property is a joint deed to myself and wife, with a life lease to my wife's father, John F. Allison, and for which we have to pay \$265.14 each and every year during the life of my wife's father, John F. Allison. The estimated value of the interest of your petitioner is hard to determine; however, I will say that I would estimate it at about \$2,000.00).

II.

March 31, 1922, the Trustee filed his objections to the claim of Bankrupt to have set aside as a homestead the real property described in and claimed as exempt in Schedule B-3 of Bankrupt's Petition of Bankruptcy. Respondent requests objections [87] be set forth *verbatim*.

III.

June 28, 1922, petition for voluntary adjudication in bankruptcy of Edith Breneman, wife of H. J. Breneman, was filed, with accompanying schedules, which are as follows:

Schedule B-1: Real Estate—None.

Schedule B-5: Property claimed exempt, etc.,
—None.

IV.

October 7, 1922, M. F. Corrigan as Trustee of the estates of H. J. Breneman and Edith Breneman, filed in each estate his petition for possession of real estate, which petition respondent requests be set forth *verbatim*.

V.

October 7, 1922, order to show cause why prayer of petition for possession of real estate should not be granted, which respondent requests be set forth *verbatim*.

VI.

December 2, 1922, order of Referee adjudging Trustee entitled to possession of real estate, which order respondent requests be set forth *verbatim*.

VII.

December 11, 1922, bankrupt's petition for review of order adjudging Trustee entitled to possession of real estate, which respondent requests be set forth *verbatim*.

VIII.

January 11, 1923, Referee's Certificate on review of order adjudging Trustee entitled to possession of real estate, which respondent requests be set forth *verbatim*.

IX.

April 30, 1923, order of the District Court of the United States for the District of Oregon, affirming the order [88] of Referee adjudging Trustee entitled to possession of real estate, which order respondent requests be set forth *verbatim*.

X.

June 13, 1923, Bankrupt's petition for homestead exemption. (This paper is also requested by Bankrupt.)

XI.

June 19, 1923, Trustee's petition to sell real estate free of liens. (This paper is also requested by Bankrupt.)

XII.

July 12, 1923, Answer of Bankrupt to petition to sell free of liens. (This paper is also requested by Bankrupt.)

XIII.

July 13, 1923, Answer of D. M. Nayberger to Trustee's petition to sell free of liens, which answer respondent requests be set forth *verbatim*.

XIV.

July 17, 1923, Trustee's answer to Bankrupt's petition for exemption. (This paper is also requested by Bankrupt.)

XV.

January 22, 1924, Referee's order granting petition to sell free of liens, and denying homestead exemption. (This paper is also requested by Bankrupt.)

XVI.

Bankrupt's petition for review of order granting Trustee authority to sell free of liens and denying homestead exemption. (Bankrupt also requests this paper.)

XVII.

February 12, 1922, Referee's order authorizing Trustee to make advance to estate from his own funds or such money as may be necessary to protect interests of estate in the Nayberger judgment, either in redeeming said property or otherwise acquiring [89] title thereto, which order respondent requests be set forth *verbatim*.

XVIII.

February 27, 1924, Referee's certificate on review of order granting authority to sell free of liens, and denying homestead exemption. (This paper also requested by Bankrupt.)

XIX.

March 18, 1924, Trustee's report that he has advanced \$779.68 in purchasing property from Nayberger after sheriff's deed had been issued to Nayberger; and upon Bankrupt's refusal to redeem, which report respondent requests be set forth *verbatim*.

XX.

April 2, 1924, order of District Court of the United States for the District of Oregon, affirming Referee's order granting authority to Trustee to sell free of liens, and denying homestead exemption. (Bankrupt also requests this paper.)

Respondent requests that praecipe for this transcript be set forth *verbatim*.

W. B. LAYTON,
Attorney, for Trustee and Respondent.

State of Oregon,
County of Multnomah,—ss.

Service of the within amended praecipe for transcript is hereby accepted in Multnomah County, Oregon, this 25 day of August, 1924, by receiving a copy thereof, duly certified to as such by Wm. B. Layton of attorneys for Trustee & Respondent.

SIDNEY TEISER,

Of Counsel for Bankrupt.

By D. DAFFIN.

Filed August 25, 1924. G. H. Marsh, Clerk.
[90]

**CERTIFICATE OF CLERK U. S. DISTRICT
COURT TO TRANSCRIPT OF RECORD.**

United States of America,
District of Oregon,—ss.

I, G. H. Marsh, Clerk of the District Court of the United States for the District of Oregon, do hereby certify that the foregoing pages numbered from 1 to 90, inclusive, constitute the transcript of record in the bankruptcy cause in said Court of H. J. Breneman, bankrupt, in accordance with the praecipe for transcript filed by the said bankrupt, and in accordance with the praecipe for transcript filed by the Trustee of the estate of said bankrupt; that the foregoing pages contain a full, true and correct transcript of such portions of the record and proceedings in said cause as the said praecipis

direct shall be included therein, as the same appear at my office and in my custody.

I further certify that the cost of the foregoing record requested by the said bankrupt, is \$10.65, and that the same has been paid by the said bankrupt; that the cost of the foregoing record requested by the said Trustee is \$10.10, and that the same has been paid by the said Trustee.

In Testimony whereof I have hereunto set my hand and affixed the seal of said Court, at Portland, in said District, this 27th day of August, 1924.

[Seal]

G. H. MARSH,

Clerk. [91]

[Endorsed]: No. 4255. United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of H. J. Brennan, Bankrupt. H. J. Brennan, Petitioner, vs. M. F. Corrigan, as Trustee in Bankruptcy of the Estate of H. J. Brennan, Bankrupt, Respondent. Transcript of Record in Support of Petition for Revision. Under Section 24b of the Bankruptcy Act of Congress, Approved July 1, 1898, to Revise, in Matter of Law, an Order of the United States District Court for the District of Oregon.

Filed August 29, 1924.

F. D. MONCKTON,

Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

By Paul P. O'Brien,

Deputy Clerk.

In the District Court of the United States for the
District of Oregon.

In the Matter of H. J. BRENEMAN, Bankrupt.

ORDER FIXING TIME TO AND INCLUDING
AUGUST 12, 1924, TO FILE RECORD AND
STAYING PROCEEDINGS (DATED MAY
16, 1924).

This cause coming on this day to be heard upon
the motion of the bankrupt by one of his attorneys,
Sidney Teiser, for an order fixing the time within
which to file and docket the record in this cause
upon petition for review;

And it appearing to the Court, for good cause
shown, that said time should be fixed as moved,

IT IS ORDERED, that the time within which
to file the transcript of record in the above-entitled
case and to docket the same with the Clerk of the
United States Circuit Court of Appeals for the
Ninth Circuit, be, and the same is hereby fixed to
and until the 12th day of August, 1924; and

IT IS FURTHER ORDERED, that pending the
determination of said cause by the Circuit Court
of Appeals, that all matters concerning the ques-
tions appealed from be stayed.

Dated at Portland, Oregon this 16th day of May,
1924.

(Signed) CHAS E. WOLVERTON,
Judge.

Filed May 16, 1924. G. H. Marsh, Clerk.

United States of America,
District of Oregon,—ss.

I, G. H. Marsh, Clerk of the United States District Court for the District of Oregon, do hereby certify that the foregoing copy of order in bankruptcy in Cause No. B-5930, in the matter of H. J. Brenneman, Bankrupt, has been by me compared with the original thereof, and that it is a correct transcript therefrom, and of the whole of such original, as the same appears of record and on file at my office and in my custody.

In testimony whereof I have hereunto set my hand and affixed the seal of said court at Portland, in said District, this 16th day of May, 1924.

[Seal] G. H. Marsh, Clerk, By _____,
Deputy Clerk.

[Endorsed]: No. 4255. United States Circuit Court of Appeals for the Ninth Circuit. Filed May 19, 1924. F. D. Monckton, Clerk.

United States Circuit Court of Appeals for the
Ninth Circuit.

In the Matter of H J.. BRENNEMAN, Bankrupt.

ORDER FIXING TIME TO AND INCLUDING
AUGUST 12, 1924, TO FILE RECORD AND
STAYING PROCEEDING (DATED MAY
19, 1924).

This cause coming on this day to be heard upon the motion of the bankrupt by one of his attorneys, Sidney Teiser, for an order fixing the time within which to file and docket the record in this cause upon petition for review;

And it appearing to the Court, for good cause shown, that said time should be fixed as moved,

IT IS ORDERED, that the time within which to file the transcript of record in the above-entitled case and to docket the same with the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit, be, and the same is hereby fixed to and until the 12th day of August, 1924; and,

IT IS FURTHER ORDERED, that pending the determination of said cause by the Circuit Court of Appeals, that all matters concerning the questions appealed from be stayed.

Dated this 19th day of May, 1924.

WM. B. GILBERT,
Senior U. S. Circuit Judge.

[Endorsed]: No. 4255. United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of H. J. Breneman, Bankrupt. Order Fixing Time to File Record and Staying Proceeding. Filed May 19, 1924. F. D. Monckton, Clerk.

United States Circuit Court of Appeals for the
Ninth Circuit.

No. 4255.

In the Matter of H. J. BRENEMAN, Bankrupt.
H. J. BRENEMAN,

Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of
the Estate of H. J. Breneman, Bankrupt,
Respondent.

ORDER EXTENDING TIME TO AND IN-
CLUDING AUGUST 25, 1924, TO FILE
RECORD AND DOCKET CAUSE.

Upon telegraphic application of Mr. Sidney Teiser, counsel for petitioner, and good cause therefor appearing, it is ORDERED that the time within which to file the transcript of record in the above entitled cause and to docket the same with the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit, be, and hereby is extended to and including August 25, 1924.

Dated: August 12, 1924.

W. H. HUNT,
United States Circuit Judge.

[TELEGRAM]

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Portland Org 338P AUG 11 1924

Frank D Monckton

Clerk United States Circuit Court of Appeals
Federal Bldg San Francisco Calif

Re H J Breneman Bankrupt Number Four Two
Five Five Clerk District Court United States for
District Oregon has not completed transcript in
above matter and will not complete same within
less than week Stop Clerk joins with me in
request for extension of time until say August
twenty fifth within which to file transcript on
appeal Stop Judge Gilbert camping and cannot
be located Stop Will you consider this telegram
motion and present same to Judge Hunt Thanks
Wire collect when order granted

SIDNEY TEISER 409P

[Endorsed]: No. 4255. United States Circuit
Court of Appeals for the Ninth Circuit. Filed Aug.
12, 1924. F. D. Monckton, Clerk.

In the United States Circuit Court of Appeals for
the Ninth Circuit.

No. 4255.

In the Matter of H J. BRENEMAN, Bankrupt.

ORDER EXTENDING TIME TO AND INCLUDING SEPTEMBER 1, 1924, TO FILE RECORD ON PETITION FOR REVIEW.

This cause coming on this day to be heard upon motion of the Bankrupt by one of his attorneys, Sidney Teiser, for an order extending the time within which to file and docket the record in this cause upon petition for review and it appearing for good cause shown that said time should be extended as moved,

IT IS ORDERED, that the time within which to file the transcript of record in the above-entitled cause and to docket the same with the Clerk of the United States Circuit Court of Appeals for the Ninth Circuit be and the same is hereby extended to and including the first day of September, 1924.

WM. B. GILBERT,
Judge.

[Endorsed]: No. 4255. In the United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of H. J. Breneman, Bankrupt. Order Extending Time Within Which to File and Docket Record upon Petition for Review. Filed Aug. 23, 1924. F. D. Monckton, Clerk.

In the United States Circuit Court of Appeals for
the Ninth Circuit.

No. 4255.

In the Matter of H. J. BRENEMAN, Bankrupt.

STATEMENT OF ERRORS UPON WHICH
BANKRUPT INTENDS TO RELY.

Comes now H. J. Breneman, Bankrupt and appellant, and states that he intends to rely upon an error of the Court in sustaining the Referee's holding that the Bankrupt was not entitled to a homestead exemption in certain real property in which exemption was claimed, the Referee deciding as a matter of law that a homestead exemption could not be set aside in property held as an estate by the entirety, which decision, and affirmation thereof by the Court, the Bankrupt claims is erroneous.

To determine whether or not such decision and holding, and order based thereon, is erroneous, the Bankrupt and Appellant asserts that only that portion of the record designated by him in his praecipe for transcript are necessary to be considered—that is to say, only that portion of the transcript of record prepared by the Clerk of the District Court and filed with the Clerk of this Court contained on pages 1 to 45, both inclusive.

Dated at Portland, Oregon, this 28th day of August, 1924.

W. L. COOPER,
SIDNEY TEISER,
Counsel for Bankrupt.

United States of America,
State of Oregon,
County of Multnomah.

Service of the within statement is hereby accepted in Multnomah County, Oregon, by receiving a copy thereof duly certified.

August 28, 1924.

WM. B. LAYTON,
AG.
Attorney for Trustee.

[Endorsed]: No. 4255. In the United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of H. J. Breneman, Bankrupt. Statement of Errors upon Which Bankrupt Intends to Rely. Filed Aug. 30, 1924. F. D. Monckton, Clerk.

In the United States Circuit Court of Appeals for the Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

STATEMENT OF PARTS OF RECORD TRUSTEE AND RESPONDENT CONSIDERS NECESSARY FOR CONSIDERATION HEREOF.

Comes now M. F. Corrigan, respondent, in con-

formance with Rule 23, paragraph 8 of the Rules of the Circuit Court of Appeals for the Ninth Circuit, and states:

That the record designated by him in his praecipe for transcript is necessary for a complete determination of this case.

That the Bankrupt in his schedules claimed certain real estate as exempt, and also claimed it constituted an estate by the entirety, and thereafter contended that because he was one of the tenants in the entirety that the Bankruptcy Court has no right to possession or to administer said property;

That some time after the Referee ruled, and his ruling was affirmed by the District Court of the United States for the District of Oregon, that the Trustee was entitled to possession of said property, the bankrupt asserted his right for exemption;

That after the voluntary petition in Bankruptcy was filed, a creditor of the Bankrupt and his wife, on a claim for which they were jointly liable, started an action in the Circuit Court of the State of Oregon for Yamhill County and obtained judgment for the amount of his claim and the property constituting the estate by the entirety was ordered sold;

That thereafter the property was sold and bid in by the judgment creditor;

That the Bankrupt or his wife, or both of them, did not in said action claim any exemption and refused and neglected to redeem said property from said judgment;

That said property was sold after the Referee ruled that the Bankrupt was not entitled to exemptions, all of which matters are made to more specifically appear in that portion of the record requested by the Trustee and do not appear in that portion of the record requested by the Bankrupt, and the Trustee and respondent therefore requests that there be printed and included in the record all of the papers requested by him.

Dated at Portland, Oregon, this 2d day of September, 1924.

WM. B. LAYTON,
Attorney for Trustee and Respondent.

State of Oregon,
County of Multnomah,—ss.

Service of the within statement is hereby accepted in Multnomah County, Oregon, this 2d day of September, 1924, by receiving a copy thereof, duly certified to as such by Wm. B. Layton of attorneys for Trustee and Respondent.

SIDNEY TEISER,
Attorney for Bankrupt.

[Endorsed]: No. 4255. In the United States Circuit Court of Appeals, for the Ninth Circuit. In the Matter of H. J. Breneman, Bankrupt. Statement of Parts of Record Trustee and Respondent Considers Necessary for Consideration Hereof. Filed Sep. 4, 1924. F. D. Monckton, Clerk. By Paul P. O'Brien, Deputy Clerk.

No. 4255

United States
Circuit Court of Appeals
For the Ninth Circuit

IN THE MATTER OF H. J. BRENEMAN, BANKRUPT

H. J. BRENEMAN,
Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of
the Estate of H. J. Breneman, Bankrupt,
Respondent.

Brief for Petitioner

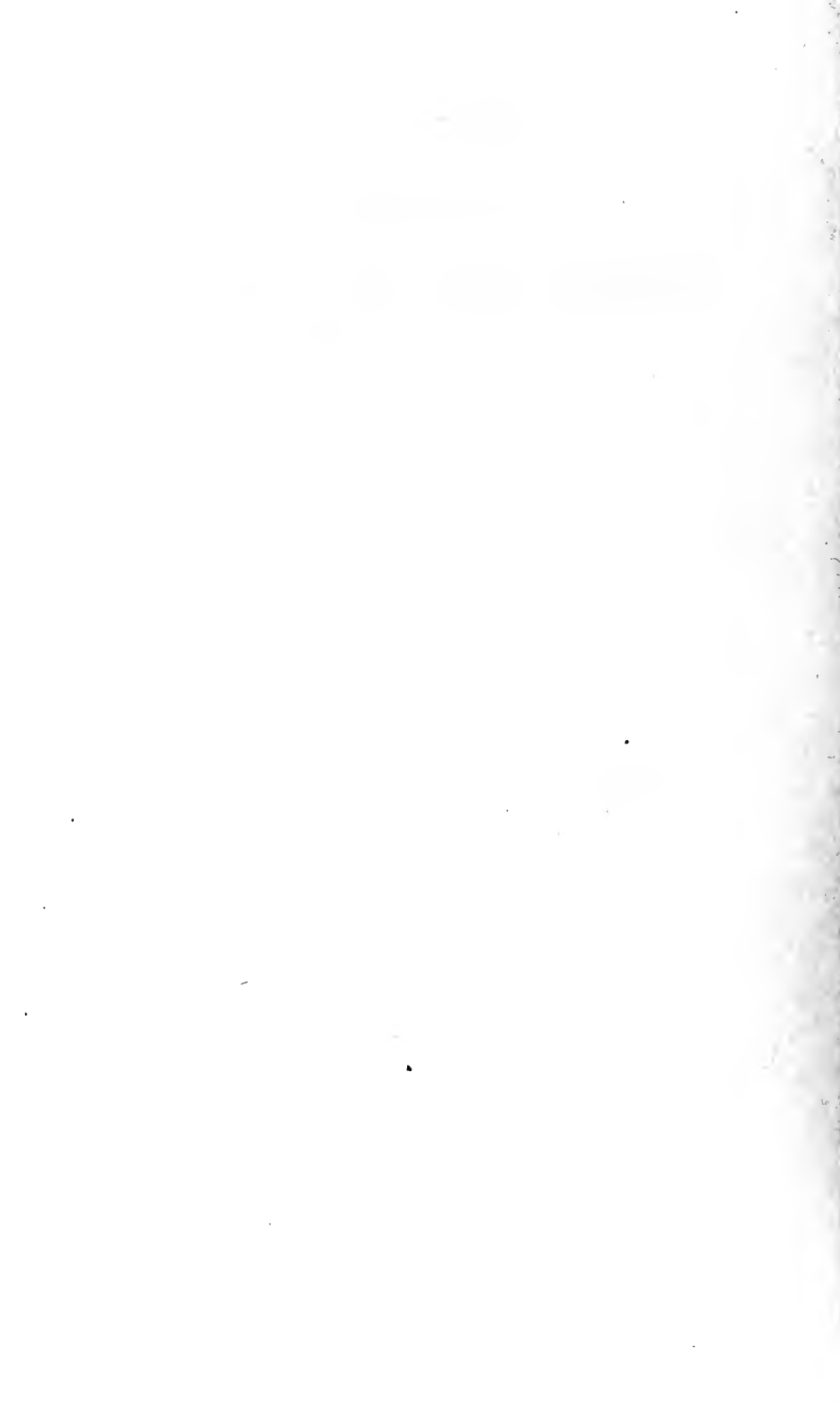
SIDNEY TEISER and
W. L. COOPER, Portland, Oregon,
Attorneys for Petitioner.

WILLIAM B. LAYTON, Portland, Oregon,
Attorney for Respondent.

FILED

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FEB 10 1924



United States
Circuit Court of Appeals
For the Ninth Circuit

IN THE MATTER OF H. J. BRENEMAN, BANKRUPT

H. J. BRENEMAN,
Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of
the Estate of H. J. Breneman, Bankrupt,
Respondent.

Brief for Petitioner

STATEMENT OF FACTS

On the 21st day of September, 1921, H. J. Breneman, Petitioner herein, filed his voluntary petition and schedules in bankruptcy in the District Court of the United States for the District of Oregon, and was, on said date, adjudged a bankrupt.

In his schedules in bankruptcy he claimed as exempt. "Homestead upon which your Petitioner has lived and occupied as his home since 1914, of which the following is a description:

Commencing at a point 2278 chains west of the

southeast corner of the S. F. Staggs and Minerva J. Staggs Donation Land Claim, Notification No. 1211, Claim No. 55, in Township 4 South of Range 4 West of the Willamette Meridian, and running thence west 7.51 chains; thence north 13 1-3 chains; thence east 7.51 chains; thence south 13 1-3 chains to the place of beginning, containing about 10 acres; also the west half of the South Park subdivision, the same being a subdivision in the above-named and numbered Donation Land Claim of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivision now on record in the office of the Recorder of Conveyances in and for Yamhill County, State of Oregon." (Transcript, p. 12.)

M. F. Corrigan, Trustee, Respondent herein, notwithstanding his duty in this regard, failed or refused to make a report to the Court, as required by the Bankruptcy Act, 47a-11, and General Order XVII, of the property set apart to the Bankrupt as exempt.

The Bankrupt was, therefore, forced to file on the 13th day of June, 1923, nearly two years after bankruptcy (Transcript, pp. 13-15) a petition for an order asking the Referee to set aside his homestead claimed by him in his schedules as exempt.

After the filing of this petition by the Bankrupt for the setting aside of his homestead as exempt, Corrigan, the Trustee, filed his answer thereto with the Referee on the 17th day of July, 1923 (Transcript,

pp. 22-26), wherein he denied the right of the Bankrupt to have said property set aside as exempt.

In the meantime, however, on June 19, 1923, in the case of Edith Breneman, Bankrupt, wife of H. J. Breneman, Petitioner herein, Corrigan, Trustee in that case also, filed a petition to sell the property claimed exempt in this case (the Bankrupt wife having an interest therein) free and clear of liens (Transcript, p. 16) and prayed for an order to show cause by the various claimants why said property should not be sold free and clear of lien. (Transcript, pp. 16-18.)

H. J. Breneman, the Bankrupt herein, answered said petition on behalf of himself, which answer was filed with the Referee on the 12th day of July, 1923. (Transcript, pp. 19-22.)

Now upon these petitions and answers a hearing was had on the 20th day of November, 1923. The testimony taken in the matter appears on pages 34 to 45 of the Transcript.

From that testimony it may be seen that the Bankrupt, H. J. Breneman, and his wife were occupying the property in question as a homestead. This is undisputed.

It will also appear from the testimony, as well as from other portions of the record, that a creditor of H. J. Breneman, one D. M. Nayberger, attempted to obtain judgment against the Bankrupt prior to the filing of the petition in bankruptcy and did obtain judgment against him after the filing of said petition

and thereafter, and after the adjudication of said H. J. Breneman, caused execution to issue upon said judgment and the property which the Bankrupt claimed exempt to be levied upon. But this phase of the matter will have no bearing upon the question here since, if the Bankrupt was entitled to his homestead exemption, he was entitled to it, as was stated by the Referee in his decision, *as of the date of the filing of the petition* and any controversy which may exist between the Bankrupt and the Judgment Creditor Nayberger would, in so far as we are here concerned, be a matter of academic interest only.

Upon the petition of the Trustee to sell the property claimed exempt free and clear of liens, and upon the petition of the Bankrupt to have set aside the homestead property as exempt, and upon the testimony taken, the matter was determined by the Referee. Says the Referee in his order denying the exemption and directing the property to be sold free of liens (Transcript, pp. 26-29) :

“This matter now comes on to be heard on the petition of the Trustee to sell real property described in the schedules of the Bankrupt free from liens thereon, and on petition of the Bankrupt to set aside his homestead exemption therein. The rights of the respective parties in this property have been before the Court on petitions for possession, etc., and it has been decided that the Trustee of the two estates has succeeded to the entire estate by operation of law, inasmuch as both husband and wife filed petitions in bankruptcy, so

that unless the Bankrupt, H. J. Breneman, is entitled to the homestead exemption in the property the petition of the Trustee to sell free from liens should be granted.

“I think the standing of H. J. Breneman as a homestead claimant should be determined as of the date he filed his petition setting up his right to a homestead in the property. What has happened since that date by the filing of a petition in bankruptcy by his wife cannot, I think, affect his right as at the time he filed his petition. Hence the sole question for decision now is whether or not he is entitled as one of the spouses in an estate by the entirety to claim an exemption in such estate under the Oregon Statute.”

The Referee, then, determined that an exemption cannot be claimed in a homestead occupied by the husband, head of the family, and his wife, where that homestead is owned by said husband and wife as tenants by the entirety.

The matter was taken upon petition for review to the District Court and unfortunately went before the judge upon the record without argument or briefs, and the decision of the Referee was affirmed. However, the question involved is entirely one of law and the matter has been brought to this Court, Petition for Review, for decision.

QUESTION INVOLVED

The sole question for decision, therefore, is the question of law: *Can a husband occupying a homestead with his wife and family claim the homestead exemption allowed by law in said property where said homestead is held under tenancy by the entireties?*

ERROR ALLEGED

The error alleged to have occurred is merely in the determination of the question set forth above—that is to say, whether or not an exemption can be claimed by the husband, the head of the family, in an estate by the entirety.

ARGUMENT**Estates by the Entirety Defined**

An estate by the entirety is an estate held by the husband and wife by virtue of a title acquired by them jointly after marriage.

30 *Corpus Juris*, p. 564, s. 97, and cases cited.

Hayes v. Horton, 46 Or. 597, 600.

Hamilton v. Fowler, 99 Fed. 18 (C. C. A. 6th Cir.)

In *Hayes v. Horton*, 46 Or. 597, 600, Judge Bean, then Justice of the Supreme Court of Oregon and now United States District Judge, defines the estate as follows:

“At common law, husband and wife were re-

garded as one person, and a conveyance to them by name was in effect a conveyance to a single person.

“By such a conveyance two real persons took the whole of the estate between them, and each was seized of the whole, and not by any undivided portion. When the unity was destroyed by death, the survivor took the whole of the estate, because he or she had always been seized of the whole thereof, and the other had no interest which was devisable.”

(In the same case it was also held that either party to an estate by the entirety may mortgage his or her interest without changing the status of the property rights of the other party. This latter phase will be adverted to hereafter.)

An estate by the entirety is most nearly assimilated to an estate by joint tenancy, the difference being, however, that the joint tenancy is capable of severance or destruction by act of one of the tenants so as to defeat the right of survivorship of the other, while the tenancy by entirety is not. An estate by the entirety is held *per tout et non per my* and a joint tenancy *per my et per tout*. (30 Corpus Juris, p. 556, s. 98 and cases cited.) In practically all other respects, including that of survivorship, the two estates are alike.

Policy and Construction of Homestead Acts

“Statutes exempting homesteads from forced sale on judicial process should receive such a con-

struction as to carry out the beneficent policy of the Legislature. Black on Interpretation of Laws, p. 311.”

Wilson v. Peterson, 68 Or. 525, 529.

Waples on Homestead and Exemption, pp. 29-32.

Watson v. Hurlburt, 87 Or. 297, 304.

In re Hewitt, 244 Fed. 245, 247.

In re Irving, 220 Fed. 969, 972.

In re Crum, 221 Fed. 729.

In re Malloy, 188 Fed. 788, 791 (C. C. A. 8th Cir.)

In re Baker, 182 Fed. 392, 394 (C. C. A. 6th Cir.)

In re Culwell, 165 Fed. 828 (Decision by then District Judge Hunt).

* * * * *

“And the spirit of the Bankruptcy Act in the matter of exemption is one of liberality.”

In re Culwell, 165 Fed. 828, 829 (Decision by Judge Hunt, then District Judge).

In re Irving, 220 Fed. 969, 972.

* * * * *

“The statutes, which all require that the property shall be owned by him who claims it as exempt from forced sale, do not declare whether the title shall be absolute or qualified, whether in fee or for life or a term of years, whether a freehold or a leasehold. * * * He who actually *occupies*

the premises, with his family, and makes it his and their home, under a legal right of possession, can find no successful competitor for the homestead privilege * * *

Waples on Homestead and Exemption, pp. 108-109.

Continuing, Waples says (p. 109):

“The law governing homestead ownership under the prevailing system is stated very clearly, and with a near approach to perfect accuracy, in the following excerpt from a judicial opinion:

“It was not contemplated, nor intended, by the term “owned,” as employed in the Constitution, that absolute ownership, or an estate in fee, should be essential to the valid exemption of real property from the payment of debts. There is no limitation to any particular estate, either as to duration, quantity or extent. It is the land on which the dwelling place of the family is located, used and occupied as a home, which the Constitution and Statutes protect, however inferior may be the title, or limited the estate or interest; not because there is an estate or interest in the land, but because it is the homestead, the dwelling place and its appurtenances. Protection of the estate or interest, of whatever dignity or inferiority, is incidental to the preservation of the homestead. The Statute, adopting this construction of the Constitution, expressly declares: “Such homestead exemption shall be operative to the extent of the owner’s interest therein, whether it be a fee or a less estate.” An absolute or qualified ownership—a fee simple of equitable estate, or for life, or for

years—meets the requirements of the Constitution and Statutes, and effectuates their policy and purposes. **Whatever right or claim the debtor may have, which may be subjected to the payment of debts, or is capable of alienation, falls within their operation, and the homestead exemption may be successfully claimed, except as against the true owner, or a superior title. The uses to which the land is devoted, and not the quality and quantity of the estate, impress the characteristics of a homestead.’ ”**

(The decision quoted is that of *Tyler v. Jewett*, 82 Ala. 93, 98.)

* * * * *

The fact that occupancy coupled with some right to the property is the criterion whereby to determine the propriety of the claim to the exemption of the homestead and not the character of the title under which it is held, is borne out particularly in Oregon by the language of our Statute, which is, of course, the only one with which we are concerned. Says the Oregon Statute, s. 221, Oregon Laws:

“*Homesteads Exempt Must Be Actual Abode.* A homestead shall be exempt from sale on execution from the lien of every judgment and from liability in any form for the debts of the owner to the amount in value of three thousand dollars (\$3,000), except as otherwise provided by law. The homestead must be the actual abode of and occupied by the owner, his or her spouse, parent or child, and such exemption shall not be impaired by temporary removal or absence with the inten-

tion to reoccupy the same as a homestead, nor by the sale thereof, but shall extend to the proceeds derived from such sale to an amount not exceeding three thousand dollars (\$3,000), while held, with the intention to procure another homestead therewith, for a period not exceeding one year."

Now a careful scrutiny of the language of the Statute will show that the homestead claimed exempt may be occupied by (1) the owner, (2) or his or her spouse, (3) or parent, (4) or child. That is to say, the homestead may be claimed exempt from the debts of the owner by reason of its *occupancy* by any one or more of the four specified by the Statute—the occupant himself, or his wife, or his parent, or his child. It is, therefore, occupancy which is stressed in the Oregon Statute and not the character of the ownership. Of this phase more will be said hereafter.

Homestead Exemptions in Property Held Under Co-Tenancy, Joint-Tenancy and Tenancy by the Entirety

Waples in his work on Homestead Exemptions has written very interestingly on this subject. (See Waples on Homestead and Exemption, pp. 131-143 and also p. 120 and p. 121.) In his discussion Waples comes to the conclusion that the decisions of the courts which hold that homestead exemptions cannot be claimed in property owned under joint tenancy or co-tenancy are based upon proper reasoning especially if the claim is made upon the property as an entirety and not upon

the interest of the tenant in the same and that, therefore, courts which hold otherwise are confused in their reasoning. Says Mr. Waples, p. 131:

“A residence owned and possessed jointly with others, or in common with others, cannot be wholly set apart by one. It cannot partially be set apart by one, for that would not be a dedication of the dwelling but only of an undivided interest in it, which the law does not recognize, since that interest alone cannot be the home of his family. Nor could it be set apart by all the joint-tenants, or tenants in common as the case may be; for the law offers homestead protection to separate families and not to a community of them. * * * The impracticability of it will appear when we reflect that the liabilities of each may be different from those of the other. The interest of one might become liable to forced sale while that of the other might not. The sale of such interest would render the home no longer protectable. So, one might abandon his homestead right: what then would become of the other’s right? It would not save the dwelling-house for his family.”

However, Mr. Waples in this discussion particularly makes this reservation. Says he, on p. 131:

“Husband and wife, indeed, might be such tenants and yet become homestead beneficiaries, since their home is one and their interests are one.”

And again, on p. 121:

“There seems to be no obstacle to the holding

of a homestead in joint tenancy when the husband and wife are the only joint tenants.”

And again, p. 140:

“It has been mentioned that when there are but two joint-tenants, and they are husband and wife, the property held by them as such may be made their homestead and occupied by them as such, without any of the absurd results which have been suggested.”

And further, p. 142:

“An estate vested in a husband and wife is held as an entirety, and not by moieties, and the title therefore is not an ordinary joint-tenancy.”

Now the direct question as to whether or not the homestead exemption could be claimed by one of two owning an estate by the entirety has been passed upon by the Court in the case of *Jackson, Orr & Co. v. Shelton*, 88 Tenn. 82. In that case G. W. Shelton and his wife, Roena Shelton, were joint owners as tenants by entirety of a residence in Camden. The homestead was claimed as exempt. Says the Court (pp. 88-89):

“Why not include the head of a family who owns land as tenant by entirety with his wife in the scope of a law whose purpose is so humane and commendable? To the extent of his interest he can use the land for the shelter, support and benefit of his family in the same manner as could another man owning the absolute fee. He stands in the same or greater need of the law’s favor. Is he

any the less deserving of protection because he does not own the whole estate? Or is the officer of the law to take what he has because he has not more? Manifestly not. The protection of such an interest is clearly within the spirit and the letter of the Statute. We can conceive no satisfactory reason why the Legislature should not have intended to embrace in this wholesome provision *all present interests in land* naturally embraced in the language used in the Act."

And at pp. 90-91:

"We cannot believe, in the absence of an express declaration to that effect, in the face of the law itself, that the framers of our Constitution, and the members of the General Assembly, intended to extend the benefits of the homestead exemption to citizens owning real estate in severalty, and not to those owning it jointly with their wives as tenants by the entirety.

"A law making such a distinction would, in our judgment, be both impolitic and unjust. It would be an unjustifiable discrimination in favor of some persons and against others alike deserving of the law's favor and protection. Such is not our law, which, as we understand it, is distinctly *impartial*, extending the right of the exemption to 'each head of a family owning real estate,' whether in fee, for life, for years, in severalty, in joint tenancy, etc."

In this connection attention is called to the fact that one of the cases cited by the Referee, that of *Avans v. Everett*, 3 Lea (Tenn.) 76, is expressly over-

ruled by this Tennessee case of *Jackson, Orr & Co. v. Shelton*. Says the Court, on page 91 of this opinion:

“As to the case of *Avans v. Everett*, 3 Lea 76, wherein it was decided that the right of homestead did not exist in land held by tenants in common, we content ourselves with the observation that its reasoning (*which we do not feel called upon to approve*) has no application to this case, because here the debtor’s interest is practically equivalent to an estate for life, at the least, in severalty, and is not an undivided interest merely, as in that case; that if sound upon its own facts, which we do not decide, the doctrine of that case should not be extended.”

In *Corinth v. Emery*, 63 Vt. 505, 509, the Court says:

“Such an estate (by the entirety) is the real estate of a married woman although her husband is joined with her in the title. It is the real estate of each. If the claim of the plaintiff is upheld, then the interest of the husband in his wife’s right, in her real estate, is taken upon the sole debt of the husband. This would annul the Statute. The estate of the wife and her husband’s interest therein in her right in the property in question is protected from the husband’s sole creditors by the spirit and letter of the Statute.”

And so in the case of *Cole v. Cole*, 126 Mich. 569, 571, it is said:

“It is settled in this state that parties may have a homestead interest in land held by the entirety. *Lozo v. Southerland*, 58 Mich. 168.”

To the same effect is *Bennett v. Child*, 19 Wis. 362, 88 Am. Dec. 692.

The same reasoning that compelled the Court to hold that a homestead exemption was properly claimed by one who was a tenant by the entirety compelled the United States District Court for the District of Nevada to a like ruling in the case of *In re Swearinger*, Federal Case No. 13683, 17 N. B. R. 138. Says the Court by Hillyer, Judge:

“The law does not attempt to guarantee a perfect title to the premises, or necessarily, an exclusive ownership and possession, but it protects whatever right, title and interest the debtor has from forced sale. The object of the law is to protect from forced sale the homestead in which lives the family of a man who is so poor as to need such protection. Now, a homestead owned and occupied in conjunction with a co-tenant is as much a shelter to the family of a poor man as if the land were owned in severalty. * * *

“My own conclusion is that, under the Constitution and Laws of Nevada, the actual homestead of every head of a family, of less value than five thousand dollars, is protected from forced sale; that there is nothing in such Constitution or Laws restricting the benefit of exemption to those who have any particular kind of title; that any interest the claimant may have in the dwelling-house and land constituting his actual home, which would otherwise be subject to forced sale, is by the laws exempted from such sale; and, consequently, that under such circumstances the interest of a tenant in common is exempt.”

It is realized that in this case the Court is discussing tenancies in common, but whatever is said in regard to tenancies in common would be applicable to tenancies in entirety insofar as the reasoning here is concerned. It is also interesting to note that Judge Hillyer criticises the decision in the case of *Wolf v. Fleischacker*, 5 Cal. 244, cited by the Referee in his opinion. *Wolf v. Fleischacker* is a California case and the Court intimates that in all probabilities that case has been overruled by a later California case mentioned. However, the rule in California in this regard is deemed to be peculiar to that state.

**Anent the Ruling of the Referee That Homestead
Exemption Could Not Be Claimed by a
Tenant by the Entirety**

The Referee in coming to the conclusion that a homestead exemption could not be claimed in property held by the entirety, reaches that conclusion by the same reasoning criticised by Judge Hillyer in *In re Swearinger (ante)*, and criticised by the Court in the case of *Jackson, Orr & Co. v. Shelton* and by Waples in his work on Homestead and Exemption. Says the Referee:

“The Statute is explicit that *it must be the owner who may make the claim* to the homestead and Breneman, it seems to me, was not the owner either of the whole or of any part of the property. It belonged to the community, the union or the entirety. He was no more entitled to claim a home-

stead than was his wife or the entirety, or union. There was no part of this estate which might be set off to him because there was no part which could be designated as belonging to him." (Transcript, pp. 27-28.)

And the Referee quotes as sustaining his view the cases of *Sharp v. Baker*, 99 N. E. 44, which is a denial of a petition to review the opinion of the Court in 96 N. E. 627, and *Henderson v. Hoy*, 26 La. 156. And he cites the cases of *Wolf v. Fleischacker*, 5 Cal. 244 (already discussed), *Avans v. Everett*, 3 Lea 76 (also discussed, and which has been shown to have been specifically overruled), and *United States Oil & Land Co. v. Bell*, 153 Cal. 781 (which is a decision regarding tenancies in common and joint tenancies and does not relate to a situation where parties occupying the premises are husband and wife).

Now the Referee says that the Statute of Oregon is explicit in asserting that it must be the owner who makes the claim to the homestead. In this we call the attention of the Court to the fact that under Section 224 of the Oregon Laws:

"Whenever a levy shall be made upon a homestead, the *owner thereof, his or her spouse, parent or child, agent or attorney*, may notify the officer making such levy, at any time before the sale thereof, that he claims a homestead in such lands, giving a description of the quantity of land claimed as a homestead. * * *"

So it may be seen that the Referee is not correct in his statement in this regard.

* * * * *

Now the statement of the Referee in his opinion that the tenant by the entirety is not the owner of the whole or any part of the property is sophistry, unintentional undoubtedly, but sophistry nevertheless, for it would be just as correct to say that he is the owner of all and every part of the property. He holds the property *per tout et non per my*. The fact is that he had an interest in the property and ownership in the same of some kind, and this ownership when coupled with *occupancy* gives rise to the right of exemption. This being true, the requirements of the Oregon Statute were fully complied with and the perquisites of all homestead exemption theories were fully satisfied.

* * * * *

Moreover, the cases relied on and quoted at length by the Referee are really, when closely studied, not apposite. For example, in the first case, that of *Sharp v. Baker* (Ind.) 99 N. E. 44, the language of which seems to be appropriate, when considered in connection with the Indiana law will be seen not to apply, for Indiana has no *homestead* exemption statute. (See Waples on Homestead and Exemption, Appendix, pp. 959-960.) The Indiana law exempts from execution property, real or personal, of a householder to the extent of \$600.00. In the case referred to it is merely held that a general exemption statute will not protect property from execution on a joint

judgment when that property is held by the entirety. A *homestead* exemption law is not involved in the case at all. Be that as it may, the effect of *Sharp v. Baker* when applied to the case at bar is eliminated for in the case of *Kohring v. Bowman*, Appellate Court of Indiana, 137 N. E. 767,769, decided by the same Court as that of *Sharp v. Baker*, many years later, it was held that "*property, real or personal, when held by husband and wife by entirities, is not liable to be sold on execution to satisfy a judgment against the husband alone.*" In the case of *Henderson v. Hoy*, 26 La. 156, quoted by the Referee, it is apparent from the language thereof that the party claiming exemption in the property was one of six co-tenants and he had nothing but an incorporeal interest, a mere share in the land, and therefore could not claim the same exempt as a homestead. This is far from the situation in the case at hand.

We confidently assert, therefore, that the conclusion of the Referee has been reached upon authorities which do not have the force or effect which he claimed for them and which he undoubtedly was led to assume they had.

The Logic and the Justice of the Situation

Before concluding this brief, let us inquire whether logic or justice requires such a harsh ruling as would result from an affirmation of the Referee's order.

A man and his wife own a homestead by the entirety.

If either one of them, being the head of the family, held title to the property singly, there would be no question but that the homestead could be claimed in the same. The purpose of the claim would be the same whether the ownership was single or by the entirety—that is, to save for themselves a home. That is the purpose and policy of the homestead law of Oregon. Is this policy to be defeated because title is taken in the name of husband and wife rather than in the name of the husband alone or the wife alone? The Homestead Exemption Statute, as has heretofore been seen, is to be liberally construed for the purpose of carrying out the policy of the law. Now the Statute says that “a homestead shall be exempt * * * from the debts of the owner * * *” and that “the homestead must be the actual abode of and occupied by the *owner, his or her spouse, parent or child.*” Certainly the homestead in the case at bar was the actual abode and occupied by the owner, whether that owner was the husband, or the wife, or both of them. The Statute provides that such a homestead shall be exempt and it states further that it shall be *exempt from the debts of the owner*, but it does not require ownership of any kind in the property to permit a claim for exemption. Of course, it must of necessity be the debt of some one who claims some interest in it that is exempted in order to make the claim pertinent, but the language of the Statute does not require *ownership in the property* claimed exempt, but merely occupancy thereof “by the owner, his or her spouse, parent, or child.”

We maintain, then, that a construction which would require a certain quality of ownership to be held in property to justify a claim of exemption would be a forced construction and would certainly emasculate the policy in mind in the enactment of the Statute.

* * * * *

It has been held in Oregon by Judge Robert S. Bean, then sitting upon the Supreme Bench of that State, in the case of *Hayes v. Horton*, 46 Or. 597, 600, that a tenant by the entirety might mortgage or convey his interest in the property. The syllabus of the case in this regard is as follows: "Either party to an estate by an entirety may mortgage his or her interest without changing the status of the property right of the owner thereto." This being true, certainly a tenant by the entirety *owns* some interest in the property and, owning some interest in the property, he would have a right to claim the property exempt, providing it is his abode or that of his family.

We maintain, therefore, that the Referee's order, which was formally approved by the District Court, should be reversed and the Bankrupt should be permitted to claim exempt the property in question, or so much thereof as is allowed by the Oregon Statute.

* * * * *

(The record inserted at the request of the Trustee in this case has been ignored in this brief. There is nothing in that record which would mitigate against

any argument or statement made herein. In fact, it would tend to strengthen rather than weaken our position in the matter. But it is not proper, in our opinion, for reasons mentioned in the motion on file with this Court, that the same should be included in the Transcript. We have asked to have it stricken and that cost be taxed against the Trustee and Respondent, and we have, therefore, ignored the same.)

Respectfully submitted,

SIDNEY TEISER and

W. L. COOPER,

Attorneys for Petitioner.



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No. 4255

**United States Circuit Court
Of Appeals**

For the Ninth Circuit

IN THE MATTER OF H. J. BRENEMAN,
BANKRUPT.

H. J. BRENEMAN,

Petitioner,

vs.

M. F. CORRIGAN as Trustee in Bankruptcy of
the Estate of H. J. Breneman, Bankrupt,
Respondent.

BRIEF FOR RESPONDENT

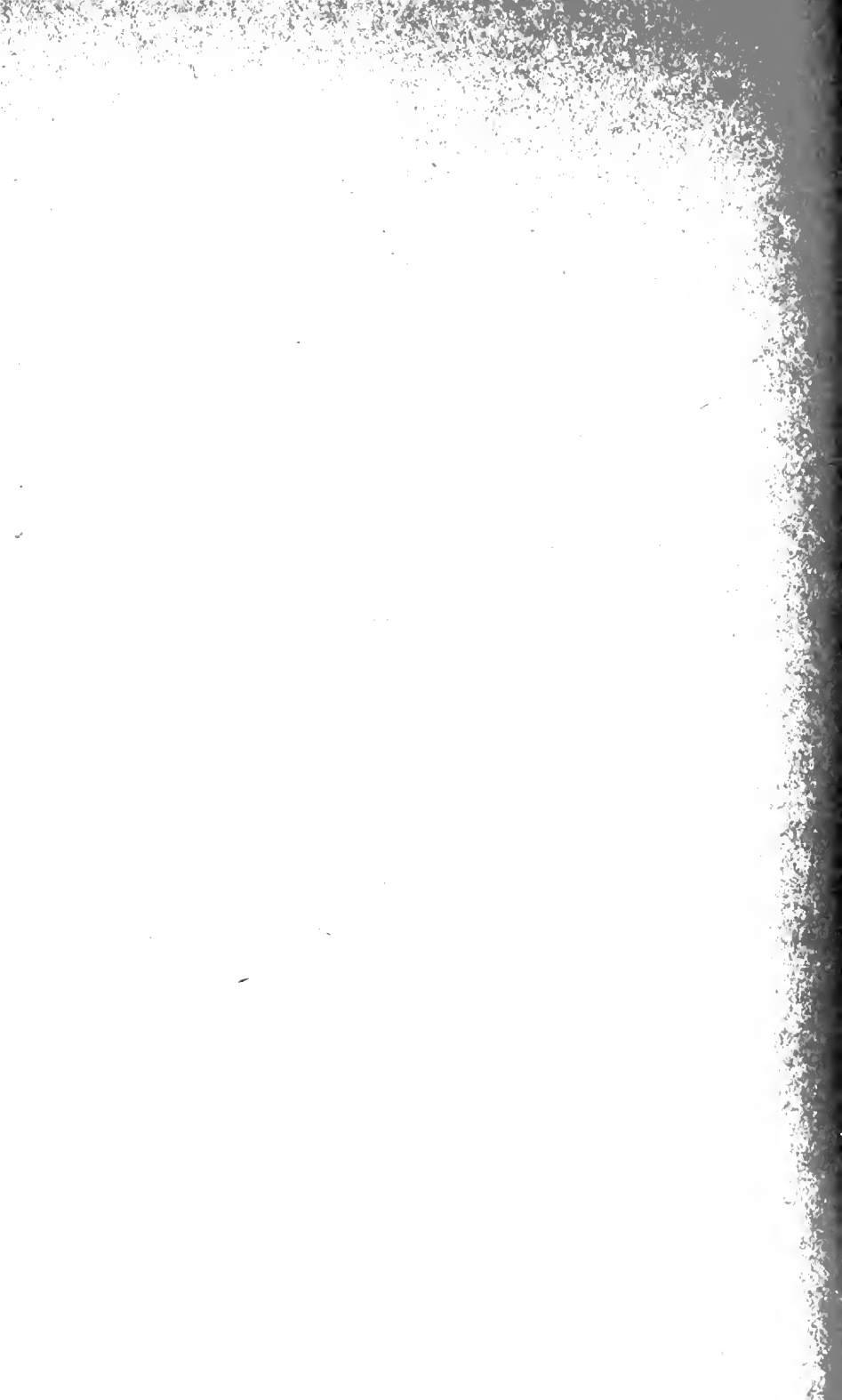
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F. O. MORGENTHAU



TOPIC INDEX

	Page
Statement	1
Analysis and Comments on Petitioner's Brief.....	2
Who Is Entitled to Claim a Homestead Exemption Under the Oregon Law?.....	13
The Logic and Justice of the Situation.....	20

INDEX OF CASES CITED

	Page
Cole vs. Cole, 126 Mich. 569.....	4
Davis vs. Low, 66 Ore. 599, 135 Pac. 314-315.....	6
Davis vs. Dodds, 20 Ohio State 473.....	18
Hanson vs. Jones, 57 Ore. 416, 109 Pac. 868.....	6
In re Scheier, 188 Fed. 744, 26 A. B. R. 739.....	15
Jackson et al. vs. Shelton, 88 Tenn. 82.....	4-12
Jennings vs. Stannus & Son, 191 Fed. 347, 27 A. B. R. 384.....	16
Lozo vs. Southerland, 58 Mich. 168.....	4
McCurdie vs. Canning, 64 Pa. St. 39.....	5-12
McRoberts vs. Copeland, 85 Tenn. 211.....	11
Oregon Laws, Sec. 222.....	5
Oregon Laws, Sec. 10125.....	6
Sharp vs. Baker et al., 51 Ind. 547, 99 N.E. 44-46..	13
Stout vs. Van Zante, 109 Ore. 430.....	3
13 R. C. L., Sec. 121, pp. 1097-1099.....	3
13 R. C. L., Sec. 149, p. 1129	18
18 Cyc. 1383.....	15

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STATEMENT

The precise question submitted by the petitioner is, can one spouse who is a bankrupt and also a

tenant of an estate by the entirety claim the whole of that estate as exempt under the Oregon law?

The trustee, respondent, answers this question as follows:

1st. Such a spouse has assured to him by recognition of the rules governing entirety estates a greater and more valuable estate in Oregon than is given to him through the Oregon exemption statutes.

2nd. The Oregon exemption statutes do not give an exemption right to one tenant of the entirety.

ANALYSIS AND COMMENTS ON PETITIONER'S BRIEF

Estates by the entirety are recognized in Oregon. It is conceded that an estate by the entirety is not an ordinary joint tenancy. (Page 13, Petitioner's Brief) Therefore cases deciding the rights to exemptions under joint tenancies are not in point.

“Modern legislation has done much to destroy the unity of husband and wife, yet in spite of such legislation it is generally held that estates in entirety remain as at common law.
* * * In case of a tenancy by entireties a fifth unity was added to the fourth common law unities, recognized in a joint tenancy, that is, unity

of person. A joint tenancy may be vested in any number of natural persons more than two. A tenancy by entireties can be vested in but two natural persons, and these two are regarded as but one in law. Joint tenants take by moieties; each one is seised of an undivided moiety of the whole, husband and wife take each an entirety and are seised per tout but not per my. Joint tenants may each alien his interest in the estate; husband and wife must alienate jointly. The former may sever their estates at pleasure; the latter hold an estate which, while it remains theirs, is inseverable. The former can have partition; but the latter can not, unless indeed in a divorce proceeding severing their matrimonial relations. The former may succeed to his cotenant's moiety by right of survivorship, while upon the decease of either of the spouses, the other continues holding the entire estate. 13 R. C. L., Sec. 121, pages 1097-1099."

Further, it has been held that while estates by the entirety in Oregon have not been abrogated, joint tenancy except in cases of trustees and executors has been abolished.

Stout vs. Van Zante, 109 Ore. 430.

There are very few authorities cited by petitioner in support of the exemption right to one of

the spouses. As an instance, in the case of *Cole vs. Cole*, 126 Mich. 569, it can not be ascertained from the opinion whether one of the spouses, or both of the spouses made a claim for homestead exemption. It is quite possible under the Michigan statute if both spouses made a claim such a claim would be recognized. The case of *Lozo vs. Southerland*, 58 Mich. 168, is cited as a precedent. That is clearly a case where the husband and wife were conceded to be tenants in common. In fact, the court says:

“The real question in the case is whether a homestead can be owned and occupied by husband and wife as tenants in common.”

Considerable reliance is placed on the case of *Jackson et al. vs. Shelton*, 88 Tenn. 82, but mention is not made of the fact that **two of the Justices wrote a strong dissenting opinion**, and it is generally conceded that the case is not good authority on the point under consideration.

Justice Snodgrass in his dissenting opinion, and which was concurred in by Justice Lurton, points out some very pertinent considerations and makes a review of the Tennessee homestead exemption law, which is similar in many respects to the Oregon law. He says:

“These provisions show, first, that the land subject to homestead must belong to the hus-

band in severalty, and especially, that they do not apply to lands held by the husband and wife in joint tenancy. Such land goes to the survivor on the death of either. . . . It is manifest, then, that a homestead on it would not inure to the benefit of his widow as such, and for her use and benefit, and that of her family residing with her, and upon her death to the minor children of her deceased husband, because on his death the entire fee would vest in her, and 'her family residing with her' could take no interest in it whatever, nor upon her death would it go to the minor children of her deceased husband."

What are the interests of one tenant by an estate in entirety in the lands as compared with his rights to exemption under the Oregon statute?

First. He has the right to possession of all of the estate with his wife during their lifetimes.

McCurdie vs. Canning, 64 Pa. St. 39.

Second. He can not be divested of his interests by his individual creditors.

Under the Oregon statute, Sec. 222 Oregon Laws, the homestead consists, when not located in any town or city laid off into blocks and lots, of any

quantity of land not exceeding 160 acres, and when located in any such town or city, of any quantity of land not exceeding one block, provided such homestead shall not exceed in value the sum of \$3000, and, therefore,

Third. He may have the right of unmolested enjoyment during his lifetime of the whole of the estate by the entirety whether the lands are used as a homestead and whether they exceed 160 acres in the country or one block in the city; and,

Fourth. As a tenant by the entirety its value, if capable of ascertainment from the peculiar nature of the estate, may exceed \$3000, and to any sum whatsoever. Under the Oregon statute a homestead shall be exempt from sale on execution from the lien of every judgment, and must be the actual abode of the owner. (Ore. Laws, Sec. 221.) Such a homestead is not exempt from levy.

McCurdie vs. Canning, 64 Pa. St. 39.

Hanson vs. Jones, 57 Ore. 416, 109 Pac. 868.

Under the Oregon statute, when the owner of any homestead shall die, not having lawfully devised the same, such homestead shall descend free of all judgments and claims against such deceased owner to the persons and in the manner provided by law. Sec. 225 Oregon Laws.

Under Sec. 10125 Oregon Laws it is provided that

when any person shall die seised of real property, or any right thereto, the real property shall descend subject to his debts in equal shares to his or her children and to the issue of any deceased child by right of representation. If there be no child living at the time such real property shall descend to all of his or her lineal descendants, and if such descendants are in the same degree of kindred they shall take such real property equally, or otherwise they shall take according to the right of representation. If the intestate shall leave no lineal descendants such real property shall descend to his wife, or if the intestate be a married woman and leave no lineal descendant, then such real property shall descend to her husband, and if the intestate leave no wife or husband, then such real property shall descend in equal proportions to his or her father and mother. If the intestate shall leave no lineal descendants, neither husband, wife, nor father, the real property shall descend to his or her mother, and if the intestate shall leave no lineal descendants, neither husband, nor wife, nor mother, the real property shall descend to his or her father. If the intestate shall leave no lineal descendants, neither husband, nor wife, nor father, nor mother, such real property shall descend in equal shares to the brothers and sisters of the intestate and to the issue of any deceased brother or sister by right of representation.

There are further provisions under the statute of descent and distribution which are unnecessary for consideration here inasmuch as Sec. 225 of the exemption statute provides that the exemption shall not extend to any person other than the child, grandchild, widow or husband, and father or mother of the deceased owner. The exemption statutes provide that the homestead shall be charged with the expenses of last sickness, funeral and costs and charges of administration. Whereas, under the right in entirety the property immediately becomes the exclusive property of the surviving spouse free from any such claims.

Fifth. It will, therefore, be seen that the exemption statute provides that a homestead shall be allowed of certain quantity and certain value to an owner and must be his actual abode or occupied by his spouse, parent or child, and such homestead descends free from the debts of the owner to his children or grandchildren, father or mother, or surviving spouse. Therefore, the reasoning of Judge Snodgrass in his dissenting opinion in Jackson et al. vs. Shelton, hereinbefore referred to, is very close to the situation in Oregon. If a homestead could be carved out of and allowed to one spouse in an entirety estate it would necessarily descend in the manner provided by law. To carve out such a homestead, however, would be to deprive the surviving spouse of his or her rights under the law governing

estates by the entirety, for to create such a homestead would be to thereby take property of the other spouse in its very creation and to allow such a homestead would be to deny the surviving spouse the right to take the whole by survivorship. In an estate by the entirety the surviving wife, for instance, takes the whole of the property free of any claims or debts of the husband, whereas, under the rules of descent in the homestead statute the homestead will not descend to her except in the order named.

When Breneman filed his petition in bankruptcy his schedules contained a recital that he had lived on and occupied the property as his home since 1914, and that deed to the property was a joint deed to himself and wife. He did not claim to be the owner of the property, and when his trustee was elected the latter filed an objection to the claim of the bankrupt to have set aside as a homestead the real property described (Transcript of Record at page 51), for the reason the bankrupt had no just claim to a homestead in the lands and that said lands are not exempt. If, as it has been contended, it is the duty of the trustee to set off an exemption, what could he do? The interest of the bankrupt could not be severed from that of his wife. If the property was of greater value than \$3000 he couldn't, as he would otherwise have a right to do under Sec. 224 Oregon Laws, pay the bankrupt \$3000 and take the property free from homestead exemption claims.

The wife could properly claim that the \$3000 should be paid to her or could ignore the transaction and insist on a homestead of her own. It is obvious that the trustee would have no right to interfere with any of the interests of the wife. And so long as estates by entireties are recognized it was both a legal and a physical impossibility for him to designate the homestead. Under the Oregon law he would be bound to deal with the owner, and the bankrupt is not the owner any more than the wife is the owner. Judge Snodgrass, in the opinion last referred to, commenting on this phase of the matter, says:

“The third and fourth sections of the act provide for levy upon the real estate of the debtor upon which the homestead is situated by execution and attachment and directs that the levying officer shall summon three disinterested freeholders and have them set apart the homestead of the debtor out of the real estate levied upon, and they are to fix the precise boundaries, and the remainder of the lands are to be sold. If it is of greater value than \$1000 and is so situated that it can not be divided so as to set apart the homestead, the freeholders shall certify the fact and the officers shall sell the whole and pay the proceeds to the Clerk of the Court rendering judgment or condemning the land for sale, and he shall under order of the court in-

vest \$1000 in the purchase of a homestead for the family of the debtor and the creditor take the surplus. Now it is clear that this can not apply to an interest held jointly with the wife any more than with anyone else; because if it does so apply, it forces the sale of her land, and makes her take in lieu of all of it and all interest in it her family share in the part allotted as homestead, or in that purchased for the benefit of the family. This upon the theory that such is the effect that results under the law, and must result if this land is within its meaning. That these consequences could follow no one can maintain, and thus it appears that such an estate was never within the intent of the act."

The case of *McRoberts vs. Copeland*, 85 Tenn. 211, was cited, wherein it was held that such an interest as the wife's on survivorship could not be taken into consideration in fixing homestead, but the wife owned such land and a homestead must be set aside out of other lands of the husband.

We submit that the reason so few authorities directly in point can be found is a practical one. There must be comparatively few instances where debtors have asked to have allocated to them interests in land held by them as a tenant in entirety, for they necessarily would not want to take the lesser estates afforded to them under the various exemp-

tion statutes in lieu of the greater estates guaranteed to them by the law governing estates by the entirety.

In Oregon the debtor would only have the right to a homestead while he is actually occupying the premises as such. Breneman had this right assured to him when the deed to the premises was made to himself and wife by a common grantor. He could not make it any the more secure by filing a petition in bankruptcy and claiming an exemption.

In the brief in support of the motion to dismiss, the case of *McCurdie vs. Canning*, 64 Pa. St. 39, was cited and quoted from at length, and it was there held that possession of the property was insured to the spouses during their lifetime and to the survivor of them, free from any molestation on the part of either of them or the successors in interest of either of them. It would therefore follow that the homestead exemption statutes do not apply to common law estates held by the entirety and that the debtor has a greater interest through the entirety than can be forced upon him through the exemption statutes, particularly under such statutes as the statute of Oregon which provides his right to exemption is merely a right of enjoyment of the premises as a homestead so long as the homestead shall last.

WHO IS ENTITLED TO CLAIM A HOMESTEAD EXEMPTION UNDER THE OREGON LAW?

This question has been answered in part by what has already been said. The very few cases on the general subject are not in accord. It appears, however, that those holding that one spouse may claim a homestead exemption in an estate by the entirety do so because of the peculiar exemption statutes in the State or because of the peculiar views that some of the courts have taken with respect to estates by the entirety.

In the case of *Sharp vs. Baker et al.*, 51 Ind. 547, 99 N.E. 44-46, there is a terse consideration of the matter. The question was then before the court on a petition for rehearing and it was urged that by virtue of the opinion a tenant by entirety is deprived of his right to claim the entirety property or any part thereof as exempt from execution. The court says:

“If this is true it is not a result of the opinion in this case, but is a result which is incident to the nature of the estate. A tenant by entirety has no separate interest or property in the entirety estate which can be claimed as exempt. The right of an execution defendant to claim property as exempt extends only to property in which he has an individual interest.

For this reason it has been held that a partner can not claim an exemption in the partnership property. (Here follows citations.) The fact that neither of the tenants by entireties can claim as exempt the entirety property, or any part thereof, as against a joint execution levied thereon seems to be a hardship; but the apparent hardship in such a case is not greater than that which results from the inability of a partner to claim as exempt his interest in partnership property. **It is the business of the courts to declare the law as it is and not to make law to relieve against hardships. If the law as it now is works an injustice the remedy must be sought in the legislature and not in the courts."**

This case is an effective answer to the plea of the petitioner to give a very lenient and strained construction to the exemption statutes of Oregon. It will be noted from the Oregon statutes that the word "owner" is used in five separate places. Not once is the word "owners" used. The legislature therefore must have intended that the word would be taken in its singular rather than its plural sense.

It is a better analogy to take partnership cases to reason from, for in those instances the courts had the entire partnership estate before them.

In the case of *In re Scheier*, District Court of Washington, 188 Fed. 744, 26 A. B. R. 739, Judge Rudkin, then District Judge, had before him the following question: Is a bankrupt, a member of a bankrupt partnership who is a householder as defined by the laws of the State of Washington, and at the time of the filing of his petition in bankruptcy having no individual assets from which to claim an exemption, entitled to set off to him as exempt firm assets being insufficient to pay firm creditors in full and his only copartner consenting to the allowance of the exemption claim by him from the firm assets? It was held that he could not, and the fact that the partner consented to the exemption did not change the rule, and in support of the opinion there was cited 18 Cyc. 1383, as follows:

“By the great weight of authority individual partners can not claim exemptions in the partnership property as against a partnership debt. This is held on various different grounds: First, on the well known ground that partnership property is subject to the payment of partnership debts before all other claims; second, the impracticability or even inequity of allowing an exemption out of the property; third, that, under the theory of the civil law that a partnership is an entity—a theory not generally recognized by the common law and one which is inconsistent with its principles . . . and that

the partnership property does not belong to the individual partners, but to the firm, that is, to the legal entity; fourth, that the different exemption statutes contemplate only individuals and have no reference to partnerships.”

Number three quoted above may be paraphrased to be applicable here as follows: That under the theory of the common law an estate by the entirety is an entity; that is, the unity of husband and wife as one, and that the entirety property does not belong to the individual spouses, but to the husband and wife, that is, to the legal entity.

The same situation came before this court in the case of *Jennings vs. Stannus & Son*, 191 Fed. 347, 27 A. B. R. 384. Judge Wolverton wrote the opinion for the court and construed the meaning of the Washington law. It may be well at this point to note that the Washington law uses the word “householder” as distinguished from the word “owner.” We quote from the opinion:

“The statute here deals with individuals, and apparently with individual property. . . . The great weight of authority seems to be against the right of partners to the exemption. . . . The strong reason in support of this view rests upon the innate difference between the individual and a co-partnership as it relates to their respec-

tive property rights. Each is a distinct entity. The former holds, by the exclusive right, subject only to the right of his creditors to have his property applied to their legitimate demands. Exemption statutes are enacted to meet this express condition, to relieve the debtor in a measure against the demands of his creditors, that he may yet enjoy the necessary comforts of life. The latter holds by right of the individual members, whose respective interests in the property depend upon mutual agreement between them; the whole being subject to the debts of the firm. The individual interest in the partnership property is joint and each partner has the right to have the property applied first to the partnership debts before either is entitled to a segregation of his own interests. Levy in execution, it is true, may proceed against the individual interests; but when made the sale is of the interest subject to the debts of the concern, and a settlement of the co-partnership affairs is necessary in the end to determine what the purchaser has really acquired. So that it seems illogical to say that exemption in favor of a partner is within the purview of the statute unless specially mentioned and declared."

Everything that is here said may be applied with even greater logic to individual exemption rights in

an estate held by the entirety. Each of the spouses has a right to have the entity estate applied against the joint debts. Indeed, under the Oregon statute (Sec. 9748 Oregon Laws) creditors may compel such an application. The entirety estate can not be dissolved except by the mutual consent or upon the death of one of the tenants.

It has been held in the case of *Davis vs. Dodds*, 20 Ohio State 473, that a husband occupying property which is the separate estate of his wife is not the "owner" within the meaning of the Ohio statute relating to homestead exemptions.

It is true that authorities may be found holding that the Married Woman's Property Acts, such as are in effect in Oregon, have abolished the estates by the entirety. This, however, is not the fact in Oregon. It has also been held that married women's property acts have qualified estates by the entirety, at least in so far as the husband's rights over the control of the wife's property is concerned. Such holdings may be inferred from what has already been decided in Oregon and in accordance with the weight of authority.

It is stated in 13 Ruling Case Law, Sec. 149, page 1129, as follows:

"In most jurisdictions, however, under stat-

utes which secure to married women the enjoyment of their real estate acquired during marriage as their separate property, it is held that an estate by entireties can not be sold on execution so as to affect in any way the rights of the wife therein, even during the life of the husband, and the purchaser at such a sale would have no right as against her to possession, and that though the statute does not entirely abolish estates by entireties and the husband's right as survivor still exists, such interest is not subject to sale on execution, not being a contingent or vested remainder but merely an incident of the estate. Likewise, it has been held that crops raised on the land cannot be sold on execution against the husband alone, because the crops are held in the same manner and subject to the same law as the land itself, and the same principle is applied to a judgment recovered as compensation for land taken under the power of eminent domain, though if the land is sold voluntarily, the husband's half of the proceeds of the sale, though remaining undivided, is subject to garnishment for the payment of his separate debts. It has also been held that a judgment against a husband is not a lien on land held by him and his wife as tenants by the entireties, and that therefore they may convey, clear from a judgment outstanding against him, land so held."

The qualified view taken by the courts with respect to the Married Woman's Property Act therefore strengthens the position of the trustee in his contention that under the Oregon statutes one of the spouses is not entitled to a homestead exemption in land held by the entirety.

THE LOGIC AND JUSTICE OF THE SITUATION

We have so far refrained from alluding to the petitioner's motion to expunge that part of the record requested by the trustee. We have done so in the belief that the court can now see that if such record was not before the court there would be in fact a concealment of the true conditions surrounding the administration of this estate, and that the full record was necessary for a proper consideration of the questions involved.

It is significant to remember that Edith Breneman, the wife of H. J. Breneman, is now also a bankrupt. So far as the lands covered by this entirety estate are concerned, what could be claimed in the Breneman estate could also be claimed in the Edith Breneman estate. It is obvious that there could not be two homestead exemptions in the same piece of property, and if the husband and wife as a unity might claim an exemption it is more obvious that there could not be three exemptions in the same

piece of property. This is the sophistry which counsel for the petitioner claims the Referee indulged in. If the debts in the Edith Breneman estate were liquidated so as to make it obligatory of her trustee to return the property the same family could thereby hold the property under the rules governing an entirety and at the same time hold it by virtue of the exemption statute. This may be more sophistry but it would seem nevertheless to be a result not to have been contemplated by the legislature when it created homestead exemptions. We have also made no mention so far of the fact that there is a life estate in this property in one John Allison. He would be entitled to possession under such an estate, and could either divest others of homesteads or perhaps create homestead rights in himself.

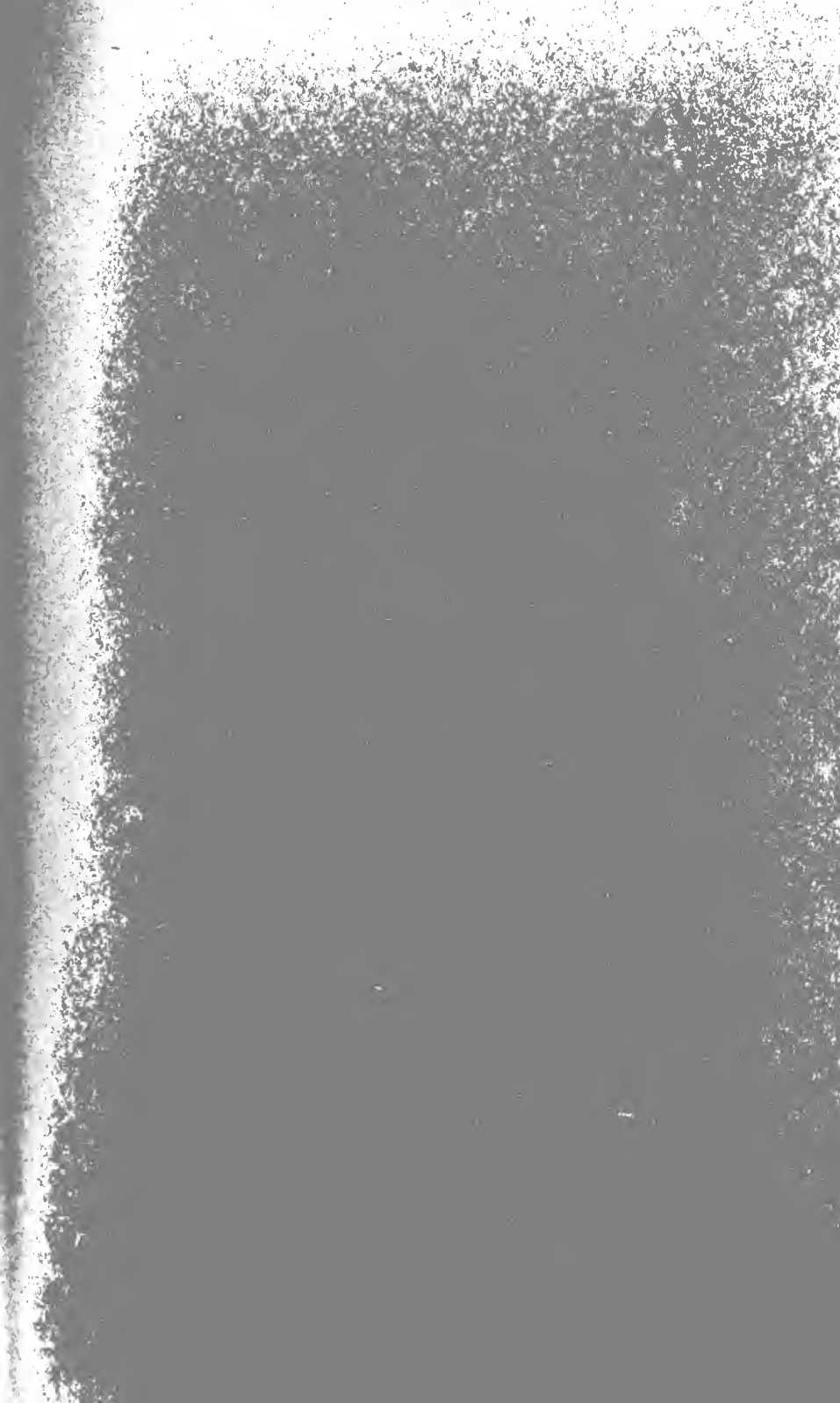
The administration of bankruptcy estates calls for sound equitable determinations. Fraud on creditors is never tolerated. The bankrupt husband and wife were very contented to allow the lands to be deeded by the Sheriff to a joint creditor, but as soon as they learned that the trustee was sufficiently able and diligent enough to acquire the Nayberger title, an exemption was attempted to be constructed. After the husband saw the effect of his wife filing a petition in bankruptcy he then commenced to show interest in his assumed exemption rights.

We have pointed out that at the time he went

into bankruptcy he had secured to him more than the exemption statutes could give him and at that time he was not seriously claiming that he had a right to an exemption. These rights are attempted to now be obtained as a reward to him for his subsequent acts. We have further pointed out, however, that even at the time he went into bankruptcy he was not, under the Oregon laws, entitled to a homestead exemption. He was not the owner of the lands, nor did he have such an interest in an estate as is embraced by the exemption statutes. The trustee could not allocate to Breneman an exemption if he were disposed to do so. Our conclusion therefore is that the decision of the referee and as affirmed by Judge Wolverton of the District Court is a correct decision in denying a homestead in the premises in question.

WM. B. LAYTON,

Attorney for Respondent.



State of Oregon }
County of Multnomah } ss

I, the undersigned, of attorneys for Respondent
hereby certify that I have prepared the fore-
going copy of Brief
and have carefully compared the same with the
original thereof; and that it is a correct
transcript therefrom and the whole thereof.

Portland, Oregon, dated Oct 17 1924

[Signature]

**United States Circuit Court
of Appeals**

for the Ninth Circuit

In the Matter of H. J. BRENNEMAN, Bankrupt.
H. J. BRENNEMAN,

Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of the
Estate of H. J. BRENNEMAN, Bankrupt,
Respondent.

**MOTION OF RESPONDENT TO DISMISS
PETITION FOR REVISION**

Sidney Teiser, Morgan Bldg., Portland, Oregon,
W. L. Cooper, Chamber of Commerce, Portland, Ore.
Attorneys for the Bankrupt.

Wm. B. Layton, Pittock Block, Portland, Oregon,
Attorney for the Trustee.

TOPIC INDEX

	Page
Motion of M. F. Corrigan, Trustee and Respondent, to dismiss petition for revision.....	7
Exhibit I—Affidavit of M. F. Corrigan in support of motion to dismiss petition for revision.....	9
Exhibit II—Complaint	13
Exhibit III—Sheriff's return on attachment.....	16
Exhibit IV—Defendant's plea in abatement.....	18
Exhibit V—Plaintiff's Demurrer to plea in abatement.	20
Exhibit VI—Order sustaining demurrer.....	21
Exhibit VII—Order entering default of defendants....	22
Exhibit VIII—Judgment in favor of Nayberger.....	24
Exhibit IX—Sheriff's return of sale of real property..	27
Exhibit X—Notice of Sheriff's sale on execution.....	31
Exhibit XI—Affidavit of printer.....	33
Exhibit XII—Exhibit A—Sheriff's return.....	34
Exhibit XIII—Order of Confirmation of sale.....	36
Exhibit XIV—Sheriff's Certificate of sale.....	41
Certificate of Clerk of Circuit Court, Yamhill County..	43
Exhibit XV—Sheriff's deed to Nayberger.....	44
Brief in Support of Motion.....	51
Statement	51
Argument	55
Conclusion	71

INDEX OF CASES CITED

	Page
Article 15, Sec. 5, Constitution of Oregon.....	57
Blanchard et al. vs. Ammon et al., Circuit Court of Appeals, 9th Circuit.....	68 70
Collier on Bankruptcy, 13th Ed., Vol. 2, P. 1744.....	65
Davis vs. Lowe, et al. 66 Oreg. 599, 135 Pac. 314-315....	66
Ernest H. Beihl, 197 Fed. 870 Pa.....	62
Friend, 134 Fed. 739 Circuit Court of Appeals.....	70
Hanson vs. Jones, 57 Ore. 416, 109 Pac. 868.....	66
Hayes vs. Horton, 46 Ore. 597, 81 Pac. 386.....	58
Howell vs. Folsom, 38 Ore. 184, 63 Pac. 116.....	58
Jordon vs. Reynolds et al. 105 Md. 288.....	64
Lawrence P. Mills, App. vs. Briggs Green, 159 U. S. 651, 16 S. C. 132, 40 L. Ed. 293.....	56
Married Woman's Property Act.....	60
McCurdie vs. Cannin, 64 Pa. St. 39.....	60
Noblitt vs. Beebe, 23 Ore. 4; 35 Pac. 248.....	58
Oliver vs. Wright et al., 47 Ore. 322; 83 Pac. 872.....	58
Section 70 of Bankruptcy Act.....	59
Sharp et al. vs. Baker, 51 Ind. 547, 99 N. E. 46.....	67
Washington Market vs. District of Columbia, 137 U. S. 62, 34 L. Ed. 572.....	56

**United States Circuit Court
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In the Matter of H. J. BRENEMAN, Bankrupt.

H. J. BRENEMAN,

Petitioner,

vs.

M. F. CORRIGAN, as Trustee in Bankruptcy of the
Estate of H. J. BRENEMAN, Bankrupt,
Respondent.

MOTION TO DISMISS PETITION FOR
REVISION

United States Circuit Court of Appeals for the
Ninth Circuit.

In the Matter of H. J. BRENEMAN, Bankrupt.

MOTION OF M. F. CORRIGAN, TRUSTEE AND
RESPONDENT TO DISMISS PETITION
FOR REVISION

Comes now M. F. Corrigan, Respondent above
named, by his attorney, Wm. B. Layton, and moves

the court for an order dismissing the Petition for a Revision filed herein for the following reasons, to-wit:

I.

Any controversy between the parties hereto has been fully settled and determined since the Order of the Referee and before or during the pendency of these proceedings.

II.

This cause is purely fictitious and there is no real controversy between the parties hereto.

III.

That the Petition for Revision herein has been filed purely for the purposes of delay.

In support of the foregoing motion respondent will rely upon the affidavit of M. F. Corrigan, the records and files of the Circuit Court of the State of Oregon, for Yamhill County, in the case of D. M. Nayberger, plaintiff, vs. H. J. Breneman and Edith Breneman, his wife, defendants, which are hereto attached and marked "Exhibits 1 to 14" inclusive and by reference made part and portion hereof.

.....*H. M. B. Layton*.....

Attorney for Respondent.

EXHIBIT 1

AFFIDAVIT OF M. F. CORRIGAN IN SUPPORT
OF MOTION TO DISMISS PETITION FOR
REVISION.

United States of America,
State of Oregon,
County of Multnomah,—ss.

I, M. F. Corrigan, being first duly sworn, depose and say that I am the duly elected, qualified and acting trustee of the estate of H. J. Breneman, Bankrupt; that I am also the duly elected, qualified and acting trustee of the estate of Edith Breneman, bankrupt and wife of H. J. Breneman, bankrupt; that I was elected Trustee of the Estate of H. J. Breneman, bankrupt, on the 11th day of October, 1921, and of the estate of Edith Breneman, Bankrupt, on the 28th day of July, 1922;

That said bankrupts refused to surrender to me possession of the real property described in the petition of H. J. Breneman for adjudication in bankruptcy, and by order of the Referee before whom said proceedings were pending, and by affirmance thereof by the District Court of the United States for the District of Oregon, on the 30th day of April, 1923, I was adjudged to be entitled to possession of said real estate; that in the latter part of the year 1922 the bankrupt and his family abandoned said property, having moved off of said property on or about the 6th day of April, 1922, to Salem, Oregon, and his wife, Edith Breneman,

having moved off of said property on or about the 15th day of April, 1922, and having taken all of their personal property and belongings off of said property on or about the first day of June, 1924, and ever since the Fall of 1922 the bankrupt and his family have made their homes elsewhere and have failed to maintain said property since said time as a home; that said property is in a badly run down and neglected condition and the house thereon is in need of repairs to make it habitable, and the grounds are in need of cultivation, and since the bankrupts have abandoned said property they have made no effort to care for said property, or to otherwise protect the same. Taxes have been allowed to accumulate against said property for the years 1921, 1922 and 1923, and the 1924 taxes will be due in April, 1925; that the taxes for said years, in accordance with the tax rolls of Yamhill County which have been examined by your affiant, are as follows:

For the year 1921.....	\$ 99.34
For the year 1922.....	151.89
For the year 1923.....	163.40
	<hr/>
Making a total of.....	\$414.63

exclusive of interest and penalties which your affiant estimates to be \$61.01, and for the year 1921 the property has been sold for taxes and certificates of delinquency therefor have been issued;

That your affiant in order to protect the inter-

ests of this estate, and from his own funds, advanced sufficient to take care of one-half of the taxes for 1923, when deed from D. M. Nayberger to said property was given to your affiant as hereinafter referred to;

That the debts of H. J. Breneman, as disclosed to your affiant from said bankruptcy proceedings amount to \$4,059.00 and your affiant as trustee of the estate of H. J. Breneman, aside and apart from the real estate hereinbefore referred to, and from all the other assets of said H. J. Breneman at the time of bankruptcy, has been able to realize but the sum of \$986.50, and has had to pay during the course of the administration of said estate for expense of administration the sum of \$228.20, which amount is exclusive of all attorney fees, trustee's and referee's commissions and expenses of this review;

That at the time of the making of the order of the Referee permitting the property to be sold free of liens and denying the claim of H. J. Breneman for homestead exemption, it was stated in open court that one D. M. Nayberger on a debt contracted by the husband and the wife and for which they were jointly liable, had obtained a judgment in the Circuit Court of Yamhill County against said husband and wife, and each of them, for the sum of \$695.99, with interest at the rate of 6 per cent per annum from the 3rd day of June, 1922, and costs and disbursements amounting to \$21.30, and which judgment was entered on

the 17th of June, 1922, in the Circuit Court of the State of Oregon, for the County of Yamhill, and that the real property described herein had been sold for the satisfaction of said judgment, and the property had been purchased by D. M. Nayberger, and the sale thereof was duly confirmed to D. M. Nayberger by order of the Circuit Court of the State of Oregon, for Yamhill County, on the 10th day of February, 1923, and that the year in which said property might be redeemed from said judgment was about to elapse. The Referee made his certain order at said time authorizing your affiant from his own funds to purchase said property or otherwise acquire title thereto. Said bankrupts and each of them failed, neglected and refused to redeem said property from said judgment sale, and on the 13th day of February, 1924, F. B. Ferguson, as Sheriff of the County of Yamhill, State of Oregon, made, executed and delivered to said D. M. Nayberger his certain sheriff's deed for said property;

That thereafter your affiant secured from D. M. Nayberger and Gertrude D. Nayberger, his wife, their certain deed conveying to your affiant said property, and your affiant in order to protect the interests of creditors of said estates in said property, and in order to acquire title thereto, and upon the refusal of the bankrupts, or either of them, to act in the premises, advanced from his own funds and in addition to the other amounts named herein, and paid to D. M. Nayberger and wife the amount

of said judgment and interest and costs for said property, and your affiant has been ever since and is now the holder of the title to said property.

Further deponent sayeth not.

.....*M. J. Corrigan*.....

Subscribed and sworn to before me this *14* day of *October*, 192*4*.

.....*N. Kay Alber*.....

Notary Public for Oregon.

My commission expires *August 7 1925*

EXHIBIT II—COMPLAINT

In the Circuit Court of the State of Oregon for Yamhill County.

D. M. NAYBERGER, Plaintiff, vs. HARRY J. BRENEMAN and EDITH BRENEMAN, his wife, Defendants.

For cause of action herein, Plaintiff complains and alleges:

I.

That at all the times hereinafter mentioned the above named defendants were, ever since have been, and now are lawful husband and wife, and as such husband and wife have at all the times hereinafter mentioned occupied and maintained, and now do occupy and maintain a home and household in Yamhill County, Oregon.

II.

That at all the times hereinafter mentioned the above named plaintiff was, ever since has been, and now is engaged in the Dry Goods Business at McMinnville, in Yamhill County, Oregon.

III.

That between the 1st day of September, 1919, and the 17th day of July, 1921, the said Plaintiff at McMinnville, Yamhill County, Oregon, at the special instance and request of the said defendants, sold and delivered to the said defendants certain goods, wares, and merchandise, to-wit: Certain clothes, shoes, thread, buttons, gloves, handkerchiefs, ties, boots, pins, dress goods, and dry goods of various kinds.

IV.

That each and all and every of said goods, wares and merchandise so sold and delivered to defendants by the Plaintiff were and are a family necessity, and were and are used by the said defendants for family use.

V.

That the same are worth the reasonable value of \$989.39.

VI.

That the same has not been paid, nor any part thereof, excepting the sum of \$293.40 in cash and credit paid and applied thereon.

VII.

That the said defendants are Tenants by the Entirety in and to the following described real premises, to-wit:

Situate in Yamhill County, and State of Oregon, to-wit: Commencing at a point 22.785 chains west of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C., Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer. and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning and containing 10 acres.

ALSO: The West half of the "South Park Subdivision," the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said County and State.

WHEREFORE, Plaintiff demands judgment against the defendants for the sum of \$695.99, together with the costs and disbursements of this action, and that the interest of said defendants in said land be sold to satisfy such judgment.

VINTON AND TOOZE,

Attorneys for the Plaintiff.

State of Oregon,
County of Yamhill,—ss.

I, D. M. Nayberger, being first duly sworn, say,

that I am plaintiff in the above entitled action and that the facts set forth in the foregoing complaint are true, as I verily believe.

D. M. NAYBERGER.

Subscribed and sworn to before me this 19th day of October, 1921.

LAMAR TOOZE,

[Seal]

Notary Public for Oregon.

My commission expires Sept. 25, 1925.

Filed October 19, 1921. C. B. Wilson, Clerk. By Arta B. Hayes, Deputy.

EXHIBIT III.

SHERIFF'S RETURN ON ATTACHMENT

In the Circuit Court of the State of Oregon, for Yamhill County

D. M. NAYBERGER, Plaintiff, vs. HARRY J. BRENEMAN and EDITH BRENEMAN, his wife, Defendants.

State of Oregon,
County of Yamhill,—ss.

I, F. B. Ferguson, Sheriff of Yamhill County, do hereby certify that by virtue of a Writ of Attachment issued out of the Circuit Court of the State of Oregon, for Yamhill County, upon the 19th day of October, A. D. 1921, in a cause therein pending, wherein D. M. Nayberger is Plaintiff, and Harry J. Breneman and Edith Breneman, his wife, are

Defendants, said Writ being in favor of said Plaintiff and against the property of said Defendants, and directed to me the said Sheriff of Yamhill County, I did, on the 19th day of October, A. D. 1921, at the instance of the above-named Plaintiff attach the following described real property of the within-named Defendants, to-wit: All of the right, title and interest of the defendants, Harry J. Breneman and Edith Breneman, his wife, in and to the following described real property, to-wit:

Situate in Yamhill County, and State of Oregon, to-wit:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer. and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning and containing 10 acres.

Also, the West half of the "South Park Sub-division" the same being a sub division, in the above named and numbered D. L. C. of S. F. Staggs and wife containing 12½ acres of land, as the same appears upon the duly recorded plat of said sub-division now of record in the office of the Recorder of Conveyances in and for said County and State.

In witness whereof, I have hereunto set my hand,

this 19th day of October, A. D. 1921, at 1:30 o'clock P. M.

F. B. FERGUSON,
Sheriff Yamhill County.
By C. L. Sherwood, Deputy.

Filed October 19, 1921. C. B. Wilson, Clerk. By Arta B. Hayes, Deputy.

Recorded Vol. 5, page 144, Certificate of Attachment, Record for Yamhill County, Oregon.

EXHIBIT IV.

DEFENDANT'S PLEA IN ABATEMENT

In the Circuit Court of the State of Oregon for
the County of Yamhill.

D. M. NAYBERGER, Plaintiff, vs. HARRY J.
BRENEMAN and EDITH BRENEMAN, his
wife, Defendants.

Comes now the defendants above named, and show to the court that Harry J. Breneman, one of the defendants above named, did on the 22nd day of September, 1921, file his petition in bankruptcy, and that on the same day he was adjudged a bankrupt in the United States District Court for the District of Oregon.

That in the defendant Harry J. Breneman's petition he duly and regularly scheduled a list of all his creditors and specially listed the Plaintiff's claim as one of his creditors; that thereafter and before the commencement of this action, the plain-

tiff above named was duly and regularly notified that this defendant has been adjudged a bankrupt, and the plaintiff was also notified of the time and place set for the hearing of the first meeting of the creditors, which was long prior to the commencement of this action, and that Mr. Vinton, one of the attorneys for the plaintiff, long before the commencement of this action attended the first meeting of the creditors and well knew that the defendant Harry J. Breneman was adjudged a bankrupt at the time of the commencement of this action.

WHEREFORE, the defendants pray that all proceedings on the part of the plaintiff be abated, and that he be estopped from in any way prosecuting any matters or things set out in his complaint filed herein, and that all demands, notices and other proceedings had or filed in this action against the defendants be abated until the final adjudication of the bankrupt proceedings, and that upon the defendant Harry J. Breneman's final discharge he recover his costs and disbursements from the Plaintiff herein.

W. J. MAKELIN,

Attorney for the Defendants.

State of Oregon,

County of Multnomah,—ss.

I, Harry J. Breneman, being first duly sworn, depose and say that I am one of the defendants in the above entitled cause; and that the foregoing plea in abatement is true, as I verily believe.

HARRY J. BRENEMAN

Subscribed and sworn to before me this 27th day of October, 1921.

W. J. MAKELIM,
[Seal] Notary Public for the State of Oregon.
My commission expires August 25, 1923.

State of Oregon,
County of Multnomah,—ss.

Due service of the within plea is hereby accepted in Yamhill County, Oregon, this 28th day of October, by receiving a copy thereof, duly certified to as such by W. J. Makelim.

Attorneys for the defendants.

W. T. VINTON,
Attorney for Plaintiff.

Filed October 28, 1921. C. B. Wilson, Clerk. By
Arta B. Hayes, Deputy.

EXHIBIT V.

PLAINTIFF'S DEMURRER TO PLEA IN ABATEMENT.

In the Circuit Court of the State of Oregon for the
County of Yamhill.

D. M. NAYBERGER, Plaintiff, vs. HARRY J.
BRENEMAN and EDITH BRENEMAN, his
wife, Defendants.

Comes now the plaintiff above named appearing by his attorneys, Vinton and Tooze, and demurs to the defendants' plea in Abatement herein for the

reason that it appears on the face thereof that the same does not state facts sufficient to constitute a defense to the Plaintiff's complaint herein.

VINTON AND TOOZE,
Attorneys for Plaintiff.

Filed November 12, 1921. C. B. Wilson, Clerk.

EXHIBIT VI.

ORDER SUSTAINING DEMURRER

D. M. NAYBERGER, Plaintiff, vs. HARRY J. BRENEMAN and EDITH BRENEMAN, his wife, Defendants,—MAY 18TH, 1922.

This cause having been heretofore argued and submitted to the Court upon the Plaintiff's demurrer to the defendants plea in abatement heretofore filed herein the Plaintiff appearing by Vinton and Tooze, his attorneys, and the defendants appearing by their counsel of record herein and the matter having been by the court taken under advisement and the court having given the said demurrer due consideration and being now fully advised in the premises:

It is ordered by the court that the said Demurrer be and the same is hereby sustained, and it is further ordered by the court that the said defendants be and they are hereby granted and allowed until and including the 28th day of May, 1922, in which to prepare, serve and file answer herein.

Recorded Vol. 15, page 121, Circuit Court Journal for Yamhill County, Oregon.

EXHIBIT VII.

ORDER ENTERING DEFAULT OF DEFENDANTS.

In the Circuit Court of the State of Oregon for the
County of Yamhill.

D. M. NAYBERGER, Plaintiff, vs. HARRY J.
BRENEMAN and EDITH BRENEMAN, his
wife, Defendants.

Now on this 3rd day of June, 1922, comes the above named plaintiff, D. M. Nayberger, appearing by his attorneys, Vinton & Tooze, and applies to the Court for a judgment by Default against the above named defendants, Harry J. Breneman and Edith Breneman, his wife.

And it appearing to the court and the court finds that on the 19th day of October, 1921, F. B. Ferguson, Sheriff of Yamhill County, Oregon, duly, regularly and personally served with summons herein the above named defendants, Harry J. Breneman and Edith Breneman, his wife, in Yamhill County, Oregon, by personally delivering to the said defendants and each of them a copy of the original summons herein prepared and certified to by F. B. Ferguson, Sheriff of Yamhill County Oregon, together with a copy of the original complaint herein prepared and certified to by Lamar Tooze, one of the attorneys for the Plaintiff.

And it further appearing to the court and the court finds that on the 28th day of October, 1921, the defendants filed herein their Plea in Abatement

to the Plaintiff's complaint and that on the 12th day of November, 1921, the above named Plaintiff filed herein his Demurrer to the said Defendants' Plea in Abatement.

And it further appearing to the Court and the Court finds that on the 18th day of May, 1922, the said cause having been theretofore argued and submitted to the Court upon the said Plaintiff's Demurrer to the Defendants' said plea in Abatement in the above entitled court, the court ordered that the said Demurrer be and the same thereby was by the said order, sustained.

And it was further ordered by the Court that the said defendants be and they thereby were, by the said Order, granted and allowed until and including the 28th day of May, 1922, in which to prepare serve and file their answer herein.

And it appearing to the Court that the said defendants were duly and regularly notified of the said Order of this court, to-wit, of the 18th day of May, 1922, wherein and whereby the said Plaintiff's Demurrer to said defendant's plea in Abatement was sustained and the said defendants were granted until and including the 28th day of May, 1922, in which to prepare, serve and file their answer herein.

And it further appearing to the Court that the said Defendants have wholly failed to answer or to otherwise plead or appear herein, and that the time for answering, to-wit, the 28th day of May, 1922, granted in the said Order, dated the 18th day

of May, 1922, has long since expired, and being in default,

It is therefore considered, ordered and adjudged by the Court that the default of the said defendants and each of them be and the same hereby is entered herein in accordance with law.

H. H. BELT,

Judge of the Above Entitled Court.

Recorded Vol. 15, page 128, Circuit Court Journal for Yamhill County, Oregon.

EXHIBIT VIII.

JUDGMENT IN FAVOR OF NAYBERGER

In the Circuit Court of the State of Oregon for the County of Yamhill.

D. M. NAYBERGER, Plaintiff, vs. HARRY J. BRENEMAN and EDITH BRENEMAN, his wife, Defendants.

Now on this 3rd day of June, 1922, this cause coming on regularly to be heard, the Plaintiff appearing by his attorneys, Vinton & Tooze, and applies to the court for a judgment by default against the above named defendants,

And it appearing to the Court and the Court finds that the said defendants and each of them are in default and that the said default of the said defendants and each of them has been heretofore entered herein in accordance with law.

It is therefore considered, ordered and adjudged

by the Court that the said Plaintiff have and recover of and from the defendants and each of them the sum of \$695.99 together with interest on the said sum of \$695.99 from and after the 3rd day of June, 1922, at the rate of six per cent per annum and for Plaintiff's costs and disbursements in this action taxed at Twenty-one and 30-100 (\$21.30) Dollars.

And it further appearing to the court that F. B. Ferguson, Sheriff of Yamhill County, Oregon, did on the 19th day of October, 1922, in pursuance of a Writ of Attachment issued out of the above entitled court and dated the 19th day of October, 1921, duly and regularly attach and levy upon the following described premises, to-wit:

Situate in Yamhill County, and State of Oregon, to-wit:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer., and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning, and containing 10 acres.

Also: The West Half of the "South Park Subdivision" the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of

Conveyances in and for said County and State.

That the said Sheriff, F. B. Ferguson, did on the 19th day of October, 1921, file herein his Certificate of Attachment in the above entitled cause wherein he certified that he had attached the above described real premises under and by virtue of said Writ of Attachment.

It is therefore considered, ordered and adjudged by the Court that the said Sheriff, F. B. Ferguson, of Yamhill County, Oregon, be and he hereby is ordered, directed and empowered and authorized to sell all of the right, title and interest which the said defendants, Harry J. Breneman and Edith Breneman, his wife, had in the above described real premises on the 19th day of October, 1921, and since said date to satisfy the Plaintiff's demands in the manner and form governing the sales of real property on execution and to apply the proceeds of the said sale to the satisfaction of the judgment of the Plaintiff, D. M. Nayberger, against the said defendants hereinbefore set forth, and if there be any property or proceeds remaining after satisfying the said execution, the said Sheriff is directed, ordered, empowered and authorized, upon demand, to deliver the same to the said defendants.

H. H. BELT,

Judge of the Above Entitled Court.

Recorded Vo. 15, page 129, Circuit Court Journal for Yamhill County, Oregon.

Filed June 17, 1922. C. B. Wilson, Clerk. By Arta B. Harding, Deputy.

EXHIBIT IX.

SHERIFF'S RETURN OF SALE OF REAL PROPERTY.

In the Circuit Court of the State of Oregon, for
the County of Yamhill.

D. M. NAYBERGER, Plaintiff, vs. HARRY J.
BRENEMAN and EDITH BRENEMAN, his
wife, Defendants.

State of Oregon,
County of Yamhill,—ss.

I. F. B. Ferguson, Sheriff of Yamhill County, Oregon, do hereby certify that by virtue of an execution and order of sale of real property issued out of the Circuit Court of the State of Oregon, for the County of Yamhill, under the seal of said court bearing date June 28th, 1922, to me directed and delivered on said day, upon and to enforce a certain judgment and order for the sale of real property entered in said court on the 3rd day of June, 1922 in favor of D. M. Nayberger, as Plaintiff, and against Harry J. Breneman and Edith Breneman, his wife, as defendants, and which said writ of execution and order of sale was received by me on the said 28th day of June, 1922, I did in obedience to the commands of said writ of execution, duly levy the same on all of the said defendants' interest of, in or to the following described real property situated, lying and being in Yamhill County, State of Oregon, and described as follows, to-wit:

Commencing at a point 22.785 chains West of the

Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer., and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence south 13 1-3 chains to the place of beginning, and containing 10 acres.

Also: The West half of the "South Park Sub-division," the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife containing 12 $\frac{1}{2}$ acres of land, as the same appears upon the duly recorded plat of said Subdivision now of record in the office of the Recorder of Conveyances in and for said County and State.

I do further certify that I duly advertised the said real property for sale as by law required and provided, by publishing a notice of the sale of said real property in the News Reporter, a newspaper published weekly at McMinnville, in Yamhill County, Oregon, and having a general circulation, for four consecutive weeks prior to August 7th, 1922, the date fixed for said sale, commencing with the issue of said paper of date July 6th, 1922, and ending with the issue thereof of date August 3rd, 1922, as shown by the affidavit of Edgar Meresse, the printer of said paper, hereto attached, and a copy of said notice so published being annexed to the said affidavit, which said notice particularly described said real property and stated that the same would be sold by me at the West and front door of the county court House at McMinnville, Oregon, on

Monday, the 7th day of August, 1922, at the hour of ten o'clock in the forenoon of said day, and by also posting copies of said notice in three public places in said Yamhill County, Oregon, to-wit: One of said notices was so posted upon the bulletin board at the front door of the court house in McMinnville, Oregon; one at the front door of the garage of Henderson & Houser on Bridge Street in Sheridan, Oregon, and the third notice upon the front of the garage of Calkins & Son on First Street, in Newberg, Oregon, all of said notices being so posted in public places in Yamhill County, Oregon, and for four weeks immediately prior to the said 7th day of August, 1922.

I do further certify that on the 7th day of August, 1922, at the hour of ten o'clock in the forenoon of said day, being the time so fixed for said sale, I attended at the West door of the county court house in McMinnville, in Yamhill County, Oregon, and offered and exposed said real property for sale in one parcel at public auction, according to law, and for want of bidders, and by public proclamation, I continued the said sale for one week, or until Monday, the 14th day of August, 1922, at ten o'clock in the forenoon of said day, at the same place, and on the said 14th day of August, 1922, at ten o'clock in the forenoon I again attended the place so fixed for said sale by said continuation, and for want of bidders then present, and by public proclamation, I further continued the sale of said real property until Monday, the 21st day of August, 1922, at the

hour of ten o'clock in the forenoon of said day, and on the 21st day of August, 1922, at ten o'clock in the forenoon of said day I attended at the place so fixed for the sale of said real property, and for want of bidders, and by public proclamation I again further continued the sale of said real property until Monday the 28th day of August, 1922, at the hour of ten o'clock in the forenoon of said day, and on the said 28th day of August, 1922, at ten o'clock in the forenoon of said day, I again attended the place so fixed for the sale of said real property and to which such sale had been so continued, to-wit: at the West and front door of the County Court House in McMinnville, Yamhill County, Oregon, and again offered the said real property for sale, at public auction, according to law, when the said Plaintiff, D. M. Nayberger was the highest and best bidder therefore, I did sell, at public auction, the above described real property to the said D. M. Nayberger for the sum of \$739.15, the said named sum being the highest and best sum bidden therefor, which I acknowledged to have received from the said D. M. Nayberger, and that I delivered to the purchaser a certificate of said sale, containing a description of said property, and stating the amount bidden for the said real property and the whole price paid, and that said real property was subject to redemption according to law.

That prior to making said sale, to-wit: on the 28th day of July, 1922, Harry J. Breneman, one of the defendants in said action, served upon me his

certain written demand claiming the said real property as his homestead, and claiming the same to be exempt from such execution sale, the said notice so served upon me by the said defendant, Harry J. Breneman, is hereto attached, marked "Exhibit A," and made a part of this my return.

I hereby return said execution, having received thereon by bid of the said Plaintiff and Execution creditor, D. M. Nayberger, the sum of \$739.15 which said sum has been applied in payment of said judgment as follows: Face of Judgment, \$695.99; interest accumulated thereon, \$9.86; costs and disbursements taxed at the time of entering judgment \$21.30, and publishing notice of sale, \$12.00, and I hereby return said execution satisfied in full.

Dated this 28th day of August, 1922.

F. B. FERGUSON,
Sheriff of Yamhill County, Oregon.

EXHIBIT X.

NOTICE OF SHERIFF'S SALE ON EXECUTION
In the Circuit Court of the State of Oregon for
Yamhill County.

D. M. NAYBERGER, Plaintiff, vs. HARRY J.
BRENEMAN and EDITH BRENEMAN, his
wife, Defendants.

By virtue of an execution, judgment order and order of sale issued out of the above entitled Court, in the above entitled cause, to me directed and

dated the 28th day of June, 1922, based upon a judgment rendered in the above entitled court on the 3rd day of June, 1922, and entered in the above entitled court on the 19th day of June, 1922, in favor of the above named Plaintiff, D. M. Nayerger, and against the above named defendants, Harry J. Breneman and Edith Breneman, his wife, and each of them for the sum of \$695.99, together with interest on said sum of \$695.99 from and after the 3rd day of June, 1922, at the rate of six per cent per annum, and for Plaintiff's costs and disbursements taxed and allowed at \$21.30 and the costs of and upon this writ and execution, and commanding me to make sale of the following described real estate, to-wit:

Situate in Yamhill County, and State of Oregon, to-wit: Commencing at a point 22.785 chains West of the southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer. and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning and containing 10 acres.

Also: The West half of the "South Park Sub-division," the same being a subdivision in the above named and numbered D. L. C. of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said county and state,

to satisfy said judgment and all costs and accruing costs.

Now, therefore, I, F. B. Ferguson, Sheriff of Yamhill County, Oregon, will on Monday, the 7th day of August, 1922, at the hour of 10:00 o'clock in the forenoon of said day, at the West and front door of the county court house at McMinnville, in Yamhill County, Oregon, sell at public auction (subject to redemption) to the highest bidder for cash in hand, all of the right, title and interest which the above named defendants, either or both of them had in the above described real premises on the 19th day of October, 1921, or at any time since said date, to satisfy said execution and judgment order, and for all interest, costs and disbursements and accruing costs.

Dated this 28th day of June, 1922.

F. B. FERGUSON,

Sheriff of Yamhill County, Oregon.

First Publication: July 6, 1922.

Last Publication: August 3, 1922.

EXHIBIT XI.

AFFIDAVIT OF PRINTER

State of Oregon,
County of Yamhill,—ss.

I, Edgar Meresse, being first duly sworn, say: That I am the publisher and printer of the News-Reporter, a weekly newspaper published weekly at McMinnville, in Yamhill County, Oregon, and of

general circulation that said newspaper is made up of eight pages of six columns each and with type matter of a depth of 19½ inches; that said newspaper has more than 200 bona fide subscribers living within said county, and has been established and regularly and uninterruptedly published in said county at least once a week during the period of more than twelve consecutive months immediately preceding the first publication of the Notice of Sheriff's sale on execution, a copy of which is hereto attached and made a part hereof, and which was published in said newspaper once each week for five consecutive and successive weeks, the first publication thereof being on the 6th day of July, 1922, and the last on the 3rd day of August, 1922; that the fee actually charged for such publication is \$12.00.

EDGAR MERESSE.

Subscribed and sworn to before me this 28th day of August, 1922.

W. T. VINTON,

[Seal]

Notary Public for Oregon.

My commission expires Aug. 24, 1924.

EXHIBIT XII.

Also EXHIBIT A, SHERIFF'S RETURN

KNOW ALL MEN BY THESE PRESENTS, I, Harry J. Breneman, state that I am a resident and inhabitant of Yamhill County, State of Oregon, and that I am the head of a family, and that my pres-

ent postoffice address is Salem, Oregon, care of Oregon Hospital; and that I claim the following described real estate as my homestead, to-wit:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, claim No. 55 in T. 4, S. R. 4 W. of the Willamette Meridian; and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning, and containing 10 acres,

Also: The West half of the "South Park Sub-division" the same being a sub-division in the above named and numbered D. L. C. of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said sub-division now of record in the office of the Recorder of Conveyances in and for said county and State.

That the deed to said property is in the name of Harry J. Breneman and Edith Breneman, husband and wife, and that there is a contract or a life estate in said property held by John F. Allison, who is sixty-eight years of age, and his expectancy according to the mortality table is 9.48, and that according to his contract he is entitled to \$265.14 per year, making it almost impossible to ascertain the true value of said property, but that the same is valued at about seven thousand (\$7,000.00) Dollars, and that the interest is held by Edith Breneman and myself, and that my interest therein does not exceed the sum of Three Thousand (\$3,000.00) Dol-

lars, and that I claim all of said property as a home-
stead.

In witness whereof I have hereunto set my hand
to this instrument on the 28th day of July, 1922.

HARRY J. BRENEMAN.

Executed in the presence of:

W. L. Cooper

J. Roy Mayson

State of Oregon,
County of Multnomah,—ss.

This certifies, that on this 28th day of July, 1922,
before me, a Notary Public within and for the said
county and state, personally appeared Harry J.
Breneman known to me to be the individual de-
scribed in, and who executed the within instrument,
and to me acknowledged that he executed the same
freely and voluntarily.

In witness whereof, I have hereunto set my hand
and affixed my Notarial Seal the day and year in
this certificate written.

W. L. COOPER,

[Seal]

Notary Public for Oregon.

My commission expires 6-18-24.

EXHIBIT XIII.

ORDER OF CONFIRMATION OF SALE.

In the Circuit Court of the State of Oregon for
Yamhill County.

D. M. NAYBERGER, Plaintiff, vs. HARRY J. BRENEMAN and EDITH BRENEMAN, his wife, Defendants.

Now at this time the plaintiff by S. J. Bischoff and Beach & Simon, his attorneys, and asks the court for an order confirming the sale of the following described real property situated in Yamhill County, Oregon, to-wit:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of Will. Mer., and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning and containing 10 acres, all in Yamhill County, State of Oregon.

Also: The West half of the "South Park Sub-division," the same being a sub-division in the above named and numbered D. L. C. of S. R. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivision now of record in the office of the Recorder of Conveyances in and for said Yamhill County, State of Oregon.

And it appearing to the court that on June 17, 1922, a judgment was filed and docketed in the office of the County Clerk of Yamhill County, Oregon, in favor of the plaintiff and against the defendants, wherein and whereby it was ordered and adjudged that the Sheriff of Yamhill County, Oregon, sell all of the right, title and interest which

the said defendants had in the above described real property on October 19, 1921, and since said date, to satisfy the said plaintiff's demands and judgment:

And it further appearing that based on said judgment, an execution was duly issued out of the above entitled court in the above entitled cause on June 28, 1922, directing the said Sheriff to sell the above described real property in the manner prescribed by law; and that thereupon and thereafter the said Sheriff levied upon said real property by virtue of said execution and duly advertised the time and place of said sale in the News-Reporter, a newspaper of general circulation published at McMinnville, Oregon, which publication was had once a week for four consecutive weeks prior to August 7, 1922, and which notice contained a specific and correct description of real property to be sold and the time and place of the proposed sale, all of which is shown by the affidavit of the printer of said paper on file with the Clerk of this court; and that in addition, the said Sheriff posted the same notices in three public places in Yamhill County, Oregon, to-wit: One upon the bulletin board at the front door of the court house at McMinnville, Oregon; one at the front door of the garage of Henderson and Houser on Bridge Street in Sheridan, Oregon, and the third notice on the front door of the garage of Calkins & Son on First Street in Newberg, Oregon, all of which said notices were kept posted for four consecutive weeks immediately prior to

August 7, 1922, and which notices states the time and place of sale, the purpose of sale, and contained a specific description of the property to be sold and were identical with the notices published in said newspaper.

And it further appearing that on August 7, 1922, at the hour of ten o'clock A. M., at the front door of the court house at McMinnville, Oregon, the said Sheriff offered said real property for sale, and for want of bidders, he by public proclamation postponed the said sale for one week, at the same hour and place; and thereupon on August 14, 1922, at the hour of ten o'clock A. M. at the front door of the Court House at McMinnville, Oregon, the said Sheriff again offered said real property for sale, and because there was no bidder therefor, again postponed the said sale until August 21, 1922, at the same hour and place, and at said hour and place, the said Sheriff again offered said property for sale, and as there was no bidder therefor, postponed the said sale until August 28, 1922, at the said hour and at the same place; and on said August 28, 1922, at the front door of the Court House at McMinnville, Oregon, and at the hour of ten o'clock A. M. the said real property was offered for sale at public sale, and thereupon D. M. Nayberger bid for said real property the sum of Seven Hundred Thirty-nine and 15-100 (\$739.15) Dollars; that the said bid of said D. M. Nayberger was the highest and best sum bid for said real property and the highest and best bid offered therefor and there was

no other bidder for the same or any part thereof. That said real property was offered first in separate parcels, and there being no bidder for either parcel, the same was offered for sale in one parcel, and thereup the said sum was bid for said real property and the whole thereof by the said D. M. Nayberger. That the return of the Sheriff of Yamhill County, Oregon of and concerning said sale was duly filed with the Clerk of the above entitled court immediately after the holding thereof, and although said sale was had on said August 28, 1922, more than five months prior to this date, there has been no objections made or offered to the confirmation of said sale.

And it further appearing that said sale was had and held in all respects as required by the statutes of this state and the rules of this court, and there were no irregularities in connection with the sale of said real property, and no greater sum could be had or obtained for said real property by a resale thereof.

It is at this time by the court Ordered and Adjudged that the sale of the above described real property to the said D. M. Nayberger be and the same is hereby confirmed and approved.

Dated this 10th day of February, 1923.

H. H. BELT,

) Judge.

Recorded Vol. 15, page 207, Circuit Court Journal for Yamhill County, Oregon.

Filed February 10, 1923. Elijah Corbett, Clerk.
By F. L. Osterman, Deputy.

EXHIBIT XIV.

SHERIFF'S CERTIFICATE OF SALE.

This is to Certify, That by virtue of an execution issued out of the Circuit Court of the State of Oregon, for the County of Yamhill, bearing date the 28th day of June, 1922, to me directed, upon and to enforce a Judgment and Decree rendered in said Court on the 3rd day of June, 1922, in favor of D. M. Nayberger, Plaintiff, and against Harry J. Breneman and Edith Breneman, his wife, Defendants, and which said writ of execution was received by me on the 28th day of June, 1922, I levied on all the said Defendants' interest of, in or to the following Real Estate, lying and being in Yamhill County, State of Oregon, known and described as follows, to-wit:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer., and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7:51 chains; thence South 13 1-3 chains to the place of beginning, and containing 10 acres.

Also: The West half of the "South Park Sub-division," the same being a sub-division in the above named and numbered D. L. C. of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said sub-division now of record in the office of the Recorder of Conveyances in and for said County and State.

And after duly advertising the same, as required by law, by posting printed notices of the time and place of the sale thereof, in three public places in said County for four successive weeks previous to the day of sale, and by publishing the same in the News-Reporter, a newspaper of general circulation published in said County and State, once each week for the same time, by all of which said notices and publications the said premises were advertised to be sold at public auction, at the Court House door, in said State and County, to the highest bidder therefor, on the 7th day of August, 1922, at the hour of 10 o'clock A. M.

On the 28th day of August, 1922, at the hour of 10 o'clock A. M., at the Court House door, in said County and State, I sold at public auction, to D. M. Nayberger, for the sum of Seven Hundred Thirty-nine and 15-100 (\$739.15) Dollars, D. M. Nayberger being the highest bidder and that being the highest sum bidden therefor, and the whole of the said premises so sold, as aforesaid, being the smallest portion thereof for which anyone at the said sale bid a sum sufficient to satisfy said execution, interest and costs. That the said sale was made subject to redemption, but will become absolute, and the said purchaser will be entitled to a deed therefor, from me, as Sheriff, at the expiration of one year from the day when said sale shall be confirmed by said Court, unless the same shall be sooner redeemed according to law.

F. B. FERGUSON,
Sheriff of Yamhill County, Oregon.

State of Oregon,
County of Yamhill,—ss.

I, H. S. Maloney, Recorder of Conveyances in and for said county and state, do hereby certify that the within instrument of writing was received and filed, and has been by me duly recorded at page 543 of Vol. 86 of the Deed Records for said county on this 12th day of October, A. D. 1922, at 9:45 o'clock A. M.

In testimony whereof I have hereto subscribed my name and affixed my official seal.

[Seal]

H. S. MALONEY,
Recorder.

CERTIFICATE OF CLERK OF THE CIRCUIT
COURT OF THE COUNTY OF YAM-
HILL, STATE OF OREGON.

State of Oregon,
County of Yamhill,—ss.

I, Elijah Corbett, Clerk of the Circuit Court of the County of Yamhill and State of Oregon, do hereby certify that the foregoing copies of complaint, Certificate of Attachment, Plea in Abatement, Demurrer, Order, Default, Judgment, Sheriff's Return of Sale of Real Property, Notice of Sheriff's Sale on Execution, Declaration of Homestead, Order of Confirmation of Sale, and Sheriff's Certificate have been by me compared with the original, and that they are correct transcripts there-

from and of the whole of such original papers as above mentioned, as the same appear at my office and in my custody and of record.

In testimony whereof, I have hereunto set my hand and affixed the seal of said Court, this. 14. day of *October*, A.D. 1924.

[Seal]

.. *E. Elijah Corbett* ..

Clerk of the Circuit Court.

By.....Deputy.

EXHIBIT XV.

SHERIFF'S DEED TO NAYBERGER

This Indenture, made the 13th day of February, 1924, between F. B. Ferguson, as Sheriff of the County of Yamhill, State of Oregon, the party of the first part, and D. M. Nayberger, of the County of Yamhill, Oregon, the party of the second part,

Witnesseth, that whereas, by virtue of an Execution and Order of Sale duly issued out of and under the seal of the Circuit Court of the State of Oregon, for the said County of Yamhill, dated the 28th day of June, 1922, upon a judgment duly made and rendered in the said Court on the 3rd day of June, 1922, in an action in which said D. M. Nayberger was Plaintiff, and Harry J. Breneman and Edith Breneman, his wife, were defendants, to the Sheriff of said County directed and delivered, commanding him to make sale of the real property hereinafter described and conveyed, and in said Execution specified.

And whereas, in obedience to said command, and under and by virtue of said Execution, the said Sheriff did levy on, seize, and take all the lands, tenements and real estate which the said defendants, the judgment debtors (or any of them) had in and to the said premises hereinafter particularly set forth, described and conveyed, with the appurtenances, and did, on the 7th day of August, 1922, sell all the right, title, interest and claim of the said defendants in said suit in and to the said premises, at public auction, at the Court House door, in said County of Yamhill, State of Oregon, between the hours of nine in the morning and four in the afternoon of that day, namely, at ten o'clock, A. M., after having first given due notice of the time and place of said sale according to law, to-wit: By posting notices of the time and place of sale, particularly describing the property, for four weeks successively prior to the day of sale, in three of the most public places in the said County of Yamhill, and also by publishing a copy of such notice once each week for four successive weeks prior to the said sale in the News-Reporter, a weekly newspaper of general circulation printed and published in Yamhill County, Oregon, at which sale all the right, title, interest and claim of the said defendants (or any of them) in and to the said premises were struck off and sold to D. M. Nayberger, for the sum of Seven Hundred Thirty-nine and 15-100 (\$739.15) Dollars, he being the highest bidder, and that being the highest sum bidden therefor.

And Whereas, the said Sheriff, after receiving from the said purchaser the said sum of money bid as aforesaid, gave to the said purchaser such certificate of said sale as is by law directed to be given, and the matters contained in such certificate were substantially stated in said Sheriff's return of his proceedings upon said Execution and Order of Sale to the Clerk of the Circuit Court of the County of Yamhill, State of Oregon.

And Whereas, the said Court, by an order made the 10th day of February, 1923, duly confirmed said sale, and more than twelve months have expired since the confirmation of said sale by the Court without any redemption of the said premises having been made.

Now, Therefore, This Indenture Witnesseth: That I, F. B. Ferguson, Sheriff of the said County of Yamhill, by virtue of said Execution and Order of Sale, and in pursuance of the statute in such cases made and provided, for and in consideration of the said sum of money in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained, sold, conveyed and confirmed, and by these presents do grant, bargain, sell, convey and confirm unto the said party of the second part, and to his heirs and assigns forever, all the right, title, interest and claim which the said defendants in said suit (or any of them) had on the 3rd day of June, 1922, or any time afterwards, or now have in or to all these certain lots, pieces or parcels of land, situate, lying

and being in the said County of Yamhill, State of Oregon, and more particularly described as follows, to-wit:

Commencing at a point 22.785 chains West of the Southeast corner of the S. F. Staggs and Minerva J. Staggs D. L. C. Not. No. 1211, Claim No. 55 in T. 4, S. R. 4 W. of the Will. Mer., and running thence West 7.51 chains; thence North 13 1-3 chains; thence East 7.51 chains; thence South 13 1-3 chains to the place of beginning, and containing 10 acres.

Also: The West half of the "South Park Sub-Division," the same being a sub-division in the above named and numbered D. L. C. of S. F. Staggs and wife, containing 12½ acres of land, as the same appears upon the duly recorded plat of said subdivisions now of record in the office of the Recorder of Conveyances in and for said County and State.

[U. S. Internal Revenue Stamp \$1.00.]

Together with all and singular the hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold the said premises, with the appurtenances, unto the said party of the second part, his heirs and assigns forever, free from all claim thereon upon the part of said defendants or any of them, and as fully and absolutely as by law the said party of the second part can or ought to have or to hold the same hereunder.

In Witness Whereof, I, the said Sheriff, have

hereunto set my hand and seal the day and year first above written.

Done in the Presence of:

M. F. Corrigan

Anna Nissen.

F. B. FERGUSON,

[Seal]

Sheriff of Yamhill County, Oregon.

State of Oregon,

County of Yamhill,—ss.

On this, the 13th day of February, 1924, before me, a County Clerk within and for said County of Yamhill, personally came the within named, F. B. Ferguson, Sheriff of the said County of Yamhill, State of Oregon, known to me to be the identical party described in and who, as such Sheriff, executed the within instrument, and acknowledged to me that he executed the same.

In Witness Whereof, I have hereunto set my hand and seal the day and year in this certificate first above written.

ELIJAH CORBETT,

County Clerk, Yamhill County.

[Yamhill County Court Seal]

State of Oregon,

County of Yamhill,—ss.

I, H. S. Maloney, Recorder of Conveyances in and for said County and State, do hereby certify that the foregoing copy of Sheriff's Deed has been by

me compared with the original deed and that it is a correct transcript therefrom and of the whole of such original Sheriff's Deed, and that the original deed was received and filed and has been by me duly recorded in Yamhill County Records at page 377, Book of Deeds, Vol. 89, on the 15th day of February, 1924, at 2:10 P. M.

In Testimony Whereof I have hereto subscribed my name and affixed my official seal this..14..th.. day of..October..., 1924.

.....*H. S. Maloney*.....

Recorder of Conveyances.

By *E. M. Hutchens* Deputy

[Seal]

**United States Circuit Court
of Appeals
for the Ninth Circuit**

In the Matter of H. J. BRENEMAN,
Bankrupt.

H. J. BRENEMAN,
Petitioner,

vs.

M. F. CORRIGAN, as Trustee in
Bankruptcy of the Estate of
H. J. BRENEMAN, Bankrupt,
Respondent.

**BRIEF IN SUPPORT OF MOTION TO DISMISS
PETITION FOR REVISION**

STATEMENT

H. J. Breneman was adjudicated a bankrupt on the 22nd of September, 1921. His debts amounted to \$4059.00, and his assets, outside of a certain piece of real property, brought into the estate for payment of bankruptcy expenses and distribution among his creditors the sum of \$986.50. His prin-

cipal and practically his only asset consisted of whatever interest he had in the real estate. He resisted the trustee's right to administer upon the real estate on the ground that the property had been conveyed to him and his wife by a common grantor, and consisted of an estate by the entirety, and that, therefore, the trustee in bankruptcy had no interest in such an estate by the adjudication of one of the spouses only as a bankrupt.

A debt for family expenses and for which, under the Oregon law, the property of the husband and wife is chargeable, had previously been contracted with one D. M. Nayberger.

On the 19th of October, 1921, Nayberger started an action for the recovery of the sum of \$695.99 due him. This action was brought in the Circuit Court of the State of Oregon, for Yamhill County, against Breneman and wife, and it is alleged in the complaint that they are tenants by the entirety of the real estate in question. The prayer of the complaint asks that the property be sold for the satisfaction of this joint debt. The husband and wife appeared in the proceedings and filed a plea in abatement, praying that the action be abated by reason of the adjudication of the husband as a bankrupt. A demurrer to this plea in abatement was interposed and was sustained by the Court.

On the 18th day of June, 1922, the defendants having refused to move or plead further in the

action, a judgment was entered in favor of Nayerger and against the defendants, and the real property was ordered sold.

From the record it appears that the Sheriff postponed the sale a number of times, and that there was a statement filed with the Sheriff by the husband reciting that he was the head of a family; that the property was in his and his wife's name; that there was a contract for a life estate held by one Allison who was then 68 years of age; that his expectancy, according to the mortality table, was 9.48, and that he was entitled to \$265.14 per year; that it was impossible to ascertain the true value of the property, but that it was valued at about \$7,000; that the interest is held by Edith Breneman and the bankrupt, and that the bankrupt's interest does not exceed the sum of \$3000, and that all of the property was claimed as a homestead. The wife made no claim, nor did the husband and wife as a unity make any claim, nor was anything further done in the proceedings by either the husband or the wife. No homestead exemption was ever allowed, nor was any part of the property allocated or reserved for exemption purposes. The property was sold free of exemptions to the judgment creditor on the 28th day of August, 1922. The judgment creditor did not ask to have the sale confirmed until the 10th day of February, 1923. This sale might have been confirmed under the Oregon law any time after five days from the sale.

No objection was made to the confirmation of the sale.

Under the Oregon law it is from this date that the judgment debtor has a right within one year to redeem the property. The property was not redeemed, and it appears from the affidavit of the trustee filed in support of this motion and from the files of the bankruptcy court that the status of the property with respect to the Nayberger claim was called to the attention of the Referee before whom the bankruptcy proceedings were pending. The referee thereupon made an order authorizing the trustee from his own funds to redeem or otherwise acquire the Nayberger title. It was not until the wife filed a petition in bankruptcy and was adjudicated a bankrupt and the Court held that the trustee was then entitled to the possession of the real property, that the husband pressed his claim for the allowance of an exemption in the Bankruptcy Court, and it was not until after the 22nd day of January, 1924, being the date when the Referee made his order denying a homestead exemption to Breneman, and also after the trustee had acquired the Nayberger title, that proceedings to review the Referee's order concerning the exemption were instituted. The truth is the property was abandoned as a homestead by Breneman and his family almost two years previously. Taxes have been allowed to accumulate against the property, and the property has been allowed to run down, and the residences of both the husband

and wife, bankrupts, have been changed, and they have accepted employment in other localities. The petition for revision was filed in this Court on the 16th day of May, 1924, or almost twenty-nine months since Breneman was adjudicated a bankrupt.

It is contended by the Trustee:

(a) That the property has been sold free of homestead claims under the Nayberger judgment, and that such title as the Trustee may now have comes to him through Nayberger and wife, rather than through the bankruptcy proceedings;

(b) That the homestead, if any there existed on the part of the husband and wife, bankrupts, has been abandoned by them;

(c) That this petition for revision has been filed for the purposes of delay only.

Any controversy there may have been between the parties has been settled and the proceedings in this court are of a fictitious nature. In these proceedings there is purely a moot question as to whether or not one of the spouses as a tenant by the entirety can claim a homestead in an entirety estate under the Oregon law.

ARGUMENT

Whenever it is brought to the attention of the Appellate Court that there is merely a moot or academic question to be decided, or that there is no real merit in the controversy, or that the controversy has been settled or determined, or that

the judgment of the Appellate Court as rendered can not be carried into effect, **the proceedings should be dismissed.**

In the case of Lawrence P. Mills, Appellant, vs. Briggs Green, 159 U. S. 651, 16 S. C. 132, 40 L. Ed. 293, Mr. Justice Gray, speaking for the Court said,

“The attitude of this court as of every other judicial tribunal, is to decide actual controversies by a judgment which can be carried into effect and not to give opinions upon moot questions or abstract propositions, or to declare principals or rules of law which can not affect the matter in issue in the case before it.”

The Court then reviews a number of cases in which appeals have been dismissed and cites the case of Washington Market vs. District of Columbia, 137 U. S. 62, 34 L. Ed. 572, under the following comment:

“Where, pending an appeal from a decree dismissing a bill to restrain a sale of property of the plaintiff under assessments for streets improvements and to cancel tax lien certificates, the assessments and certificates were quashed and annulled **by a judgment in another suit**, the appeal was dismissed without costs to either party.”

The court holds that it is proper to bring to the attention of the Appellate Court by extrinsic evidence the true nature of the proceedings, and decided:

“It is obvious, therefore, that if the bill could properly be held to present a case within the jurisdiction of the Circuit Court, no relief within the scope of the bill could now be granted.”

It does not require a citation of extensive authorities in support of a proposition as well recognized in appellate procedure as this one is. We will therefore direct our inquiry to the real nature of these proceedings.

The property and pecuniary rights of every married woman at the time of marriage or afterwards acquired by gift, devise or inheritance, shall not be subject to the debts or contracts of the husband, and laws shall be passed providing for the registration of the wife's separate property.

Article 15 Sec. 5, Constitution of Oregon.

The expenses of the family and the education of the children are chargeable upon the property of both husband and wife, or by either of them, and in relation thereto they may be sued jointly or separately. Sec. 9748 Oregon Laws.

It is alleged in the Nayberger complaint that the debt sued for was a family expense and the items comprising this expense were generally enumerated. Under the laws of Oregon, the claim of Nayberger was therefore a charge upon the lands of both the husband and the wife.

The Circuit Court of the State of Oregon had jurisdiction of the subject matter of the action and

the parties thereto and proceeded to a determination of the controversy before it. This controversy resulted in a judgment in favor of Nayberger and a subsequent sale of lands in accordance with the prayer of the complaint and a subsequent issue of deed to Nayberger.

The interest, whatever it might be, which was acquired by the trustee through the bankruptcy proceedings of Breneman, did not divest joint creditors of the husband and wife of their remedies.

It is conceded in these proceedings that estates by the entirety are recognized in Oregon in all of their common law significance **except perhaps insofar as the common law may be qualified by the Married Woman's Property Act.**

Noblitt vs. Beebe, 23 Ore. 4; 35 Pac. 248.

Howell vs. Folsom, 38 Ore. 184, 63 Pac. 116.

Hayes vs. Horton, 46 Ore. 597, 81 Pac. 386.

An estate by the entirety is an estate held by husband and wife together so long as both live, and after the death of either by the survivor, so long as the estate lasts. It is not an ordinary joint tenancy or a tenancy in common. 13 R. C. L. Sec. 121, Page 1096.

While it has been held in Oregon that one tenant may mortgage his interest in an estate by the entirety (Hayes vs. Horton, 46 Ore. 597, 81 Pac. 386) there is no decision defining just what this interest is. In fact, Chief Justice Moore in the case of Oliver vs. Wright et al, 47 Ore. 322, 83 Pac 872,

specifically refrained from stating whether or not a lien by way of attachment issued by a creditor of one of the spouses was a valid lien. He stated that it was unnecessary to decide whether the interest that a husband had in an estate by the entirety was "property" within the meaning of the Oregon law. He decided in this case, however, that when the right of survivorship was determined, a judgment previously obtained by a creditor against the surviving spouse became effective at the instance of the death of the other spouse.

Section 70 (5) of the Bankruptcy Act provides that the trustee of a bankruptcy shall be vested by operation of law with the title of the bankrupt as of the date he was adjudged a bankrupt to all property which prior to the filing of a petition he could by any means have transferred or which might have been levied upon or sold under judicial process against him.

By virtue of the decision of the Supreme Court of Oregon holding that one spouse may mortgage his interest in an estate by the entirety it would seem to follow that some interest, by virtue of this section of the Bankruptcy Act, would pass to the trustee in bankruptcy as being property which prior to the filing of the petition the bankrupt could have transferred. Whatever this interest may be it is subject to the following expectancies and contingencies:

1st. The entirety estate must exist up until the

time of death of one of the spouses and the right of survivorship determined.

2nd. The interest is lost if both spouses by their voluntary act alienate the estate subsequently to the bankruptcy of one of the spouses, and

3rd. The interest of the trustee is also lost if subsequently to the bankruptcy of one of the spouses there is an involuntary alienation by operation of law by joint creditors of the husband and wife sequestering the property for the payment of their joint claims.

To put the proposition conversely: the only interest the trustee acquires by the bankruptcy of one of the spouses is the expectancy that the bankrupt spouse will survive the other spouse, and that in the meantime the estate will not be destroyed by the joint act of both of the spouses or taken from them by the act of joint creditors.

In many cases the courts have defined what such an interest a trustee in bankruptcy of one of the spouses is. As an example, it has been held that after the bankruptcy of one of the spouses the trustee is not a tenant in common or even a joint tenant with the other spouse.

In the case of *McCurdie vs. Cannin*, 64 Pa. St. 39, the court, in discussing the subject in view of the Married Woman's Property Act, said:

“The case therefore stands thus. Here is a married woman who is neither a joint tenant, nor a tenant in common with the husband, but who is seized of the whole estate, and with him entitled to possession of the whole. If a

purchaser of the husband's interests may be put into possession with her what follows? This:

1st. You have destroyed her estate and turned her entirely into a joint tenancy or a tenancy in common.

2nd. You have deprived her altogether of possession, because it is not in the nature of things that she can enjoy actual possession with a stranger as she did with her husband.

3rd. You take away her property without her consent and destroy her rights, which were protected by the Act of April 11th, 1848. She was entitled to possession of the whole with her husband. You propose to give possession of the whole with a stranger, a possession which she can not, and which he probably would not enjoy.

It should be answered that the property may be rented, and a moiety of the lands and profits may be paid to her, that is only to say that you may deprive her of the estate and give her another of inferior value, a substitution which you have no right to propose, the words of the Act of 1848 are of so comprehensive a character and its purpose to protect every possible interest of the wife is so plain that we can not, by any possible construction consistent with the object of the legislature and the language which they have used, except this interest from its protection."

It has been held that a husband and wife may join in a conveyance subsequent to the bankruptcy of the husband so as to give title to lands held by the entirety to a third party, free of the trustee's interests. Speaking on this subject the Court in the case of *in re Ernest H. Beihl*, 197 Fed. 870 (Pa.) said:

“This ‘venerable and unique common-law estate’—to use Mr. Justice Stewart’s phrase—is founded upon the conviction that husband and wife are one person and not two, but it is nevertheless conceived of as giving the entire interest in the whole property, not to the two jointly, but simultaneously to each, and as giving it without possibility of severance. **These completely interfused interests can not be divided by partition; neither owner can dispose of it except as a whole, and neither can dispose of it without the concurrence of the other.** But, from another point of view, each has only an expectancy, for, upon the death of one, the other takes the whole in severalty, not by survivorship, but by the original title. Of course it is possible to reason about such a perplexing abstraction, and rules have been gradually evolved to govern the necessarily conflicting interests that are thus compelled to live together without the possibility of divorce. But, as may be supposed, while these rules may be the result of reasoning in forms of the syllogism, they are apt to be artificial and some-

times they lead to a contradiction in terms. For example, each of these curious tenants owns what may be a valuable interest, but can not exercise the most distinctive characteristics of ownership—the power of disposition. The husband owns the entire estate, but so does the wife, and therefore if he should be permitted to sell it he would be selling her property. Nor may he incumber it, except contingently—since incumbrance may be the first step to a sale, and this would be to pledge her property to his creditors. Nor may his creditors seize it by any process of the law, for she owns it all, and, unless he survives her, it will never be either at his disposal or at theirs. And this catalog of difficulties could easily be extended, if it were necessary to exhibit more plainly the peculiar structure that has been built on the foundation of pure fiction It is clear I think from the foregoing remarks that the trustee has never been actually or constructively in possession of the estate in controversy, and not being Mrs. Beihl's husband, he has no present right to the possession and can not have. But—and this is the sufficient reason for denying the petition—he is already clothed with all the interest the bankrupt could have conveyed to him at the date of the adjudication, and a restraining order now would therefore be superfluous. Whatever title the bankrupt had then has already passed from

him by operation of law, and—on his own account, and for his own benefit—he has no longer anything to convey.”

This was a proceeding brought to restrain the bankrupt from joining in a conveyance with his wife to convey the entirety estate to a third party. The Supreme Court of Pennsylvania in the same matter had previously held that the deed from the husband and wife was sufficient to pass title free from the effect of the bankruptcy proceedings and free from any contingent interest or ownership therein by the trustee in bankruptcy in the event of the bankrupt surviving his wife. The trustee in bankruptcy thereupon brought petition in the United States Court setting forth the proceedings in the State Courts, and avering that although it might be the law of Pennsylvania that the bankrupt by joining in a deed with his wife could convey an absolute title to the purchaser free from any claim by the bankrupt in case he survived his wife, yet, nevertheless, the court had jurisdiction to restrain the bankrupt from executing any such deed, or in any manner attempting to convey his right and title in properties which passed to the trustee in bankruptcy. The U. S. District Court refused to grant the injunction.

To the same effect is the case of *Jordan vs. Reynolds et al*, 105 Md. 288, wherein the court held that a judgment creditor of one of the spouses has no such lien upon the property which had subsequently been conveyed by both of the spouses to a third party so as to prevent both of the spouses

from giving a good and merchantable title to such third party, free and clear of the outstanding judgment against the one spouse.

Referring further to Sec. 70 (a) of the Bankruptcy Act, it will be found that the trustee is vested by operation of law with the title of the bankrupt as of the date he was adjudged a bankrupt, **except insofar as it is to property which is exempt.** Therefore title to exempt property does not pass to the trustee. Further, in severing exempt property from the general assets of a bankrupt estate it is the duty of the bankruptcy court to follow the state laws and decisions under which the exemption is claimed. Collier on Bankruptcy, 13th Ed., Vol 2, page 1744.

It follows that Nayberger had a right to pursue his remedies against the property as a joint creditor of the husband and wife, independent of and irrespective of the bankruptcy proceedings. The State Court has fully determined the matter of exemptions and its proceedings are no longer subject to collateral attack.

In Oregon property entitled to homestead exemption is merely exempt from sale as distinguished from being exempt from attachment or levy.

A homestead shall be exempt **from sale or execution** from the lien of every judgment and from liability in any form for the debts of the owner to the amount and value of \$3000 Section 221 Oregon Laws.

If an attachment or levy is made on property which might be declared as a homestead the levy may be enforced and the property sold whenever the property may lose the characteristics of a homestead, such as by abandonment. In the case of *Davis vs. Lowe et al*, 66 Ore. 599, 135 Pac. 314-315, Judge Eakin, speaking for the court, said:

“The exemption, however, may be waived or relinquished by abandonment of the homestead, or by a conveyance, as held in *Hanson vs. Jones*, 57 Ore. 416, 109 Pac. 868, where the law is held to be only an exemption from attachment and judicial sale. **Therefore a creditor may, if the debtor is otherwise liable for the debt, reduce his claim to judgment and have it entered upon the judgment docket, and if the homestead be abandoned or lost in any way the property will be subject to levy and sold.**”

From the affidavit of the trustee it will be noted that the bankrupt soon after the filing of the petition in bankruptcy abandoned the property and soon thereafter his wife abandoned the property, and each of them obtained separate employment in different localities, and each of them did remove all of their personal belongings from the property, and neither of them, nor their families, have made their home in the property, and the house had been allowed to run down, the lands have not been cultivated, and the property has become subject to the payment of various State taxes.

Section 221 Oregon Laws before referred to contains the following specific provision:

The homestead must be the actual abode of and occupied by the owner, his or her spouse, parents or child.

So far as the proceedings in either the State Court or the Bankruptcy Court are concerned, this property has been abandoned, and even if it should be held that one of the tenants of an estate by the entirety may claim a homestead exemption in the whole entirety estate, nevertheless that exemption can not be claimed unless the property is the actual abode of the owner **and continues as such.**

It will be noted in the Nayberger proceedings there was no mention made in the claim that was attempted to be submitted therein, that the property was the actual abode of any one. In fact, the property was actually abandoned at the time this claim was filed. However, under the Oregon decisions, if this were not the fact a subsequent abandonment thereof would give Nayberger the right to have the property sold in satisfaction of his judgment. It therefore follows that insofar as the State court is concerned, and that is the law which the Federal Court will follow, this property has been sold free of homestead exemptions.

It will also be noted in the Nayberger case the husband only attempted to claim the homestead exemption.

It has been held in the case of Sharp et al vs. Baker, 51 Ind. 547, 99 N. E. 46, that

“A tenant by entirety has no separate interest for property in the entirety estate which can be claimed as exempt. The right of an execution defendant to claim property as exempt extends only to property in which he has an individual interest. For this reason it has been held that a partner can not claim an exemption in the partnership property.”

The bankruptcy law contemplates the bankrupt's estate shall be administered with all convenient dispatch, so that the property may be distributed among the creditors, and the bankrupt discharged from his debts and to that end parties litigant shall be alert and active to protect their rights and to proceed with promptness in asserting the same.

Blanchard et al vs. Ammon et al, Circuit Court of Appeals, 9th Circuit, 183, Fed. 556, 25 A. B. R. 594.

We would review before the Court the delays which the bankrupt has brought about in these proceedings.

The adjudication was made on the 21st day of September, 1921, Nayberger brought an action against the bankrupt and wife on the 19th day of October, 1921. On the 27th of October, 1921, he filed his plea in abatement to the Nayberger complaint, which was overruled on the 28th of May, 1922. Judgment was not entered until the 3rd day of June, 1922, and the property was advertised for sale under this judgment for August 7, 1922. The

sale was postponed until August 14, 1922. The sale was then postponed until August 21, 1922. It was then postponed until August 28, 1922. No objection of any kind was made to the sale although order confirming the sale was not entered until the 10th of February, 1923. A year then elapsed and nothing further was done until Sheriff's deed was issued to Nayberger on the 13th day of February, 1924. It is quite apparent that the property and such value as it had would have then been lost to everyone had not the trustee seen fit to advance from his own funds sufficient money to acquire the Nayberger title. He was able to do this and receive deed to himself and Nayberger and wife on the 13th of February, 1924. The United States District Court of Oregon entered its order sustaining the decision of the referee previously rendered, permitting the sale of the property free of liens, and denying the homestead exemptions, on the 2nd day of April, 1924, and it was not until the 16th day of May, 1924, that the bankrupt filed his petition for revision. If it be true, the fact that bankruptcy proceedings are to be expeditiously handled, it is difficult to see how these delays can be countenanced. It is significant to note that after all of these delays and after a determination of the matter at issue here in the State court, and after the bankrupt has seen that the trustee has acquired the Nayberger title, that he is attempting to use this Court to give to him a remedy which, if he ever had, he has lost.

In the case of Blanchard et al vs. Ammons last referred to, this Court said:

“There is no time fixed in the bankruptcy act within which a petition for revision shall be presented, but it is the acknowledged rule that it must be presented within a reasonable time. An appeal from the adjudication in bankruptcy is required to be taken within ten days and by analogy it would seem that a petition for revision of the adjudication of bankruptcy ought to be taken within a similar time unless there are circumstances excusing the delay.”

Considerable more than ten days had elapsed since the order of the District Court was signed and before the petition for a review was filed. It is true that it was held **at that time**, that it had been generally held that a petition for revision must be had within six months. Since the holding in that case, however, a number of courts have passed rules making it obligatory to file petitions for review within the time provided for appeals, that is, ten days. Section 25 (a) of the Bankruptcy Act limits the time for filing appeals in bankruptcy cases to ten days, and it has now generally been held by analogy that the time for filing a review should be limited to ten days. In *re. Friend*, 134 Fed. 739, Circuit Court of Appeals of Illinois, *re Bannerscope*, 223 Fed. 53 Circuit Court of Appeals, N. Y. At least there is no showing made or circumstances to

be found from the record to excuse the delay in this case.

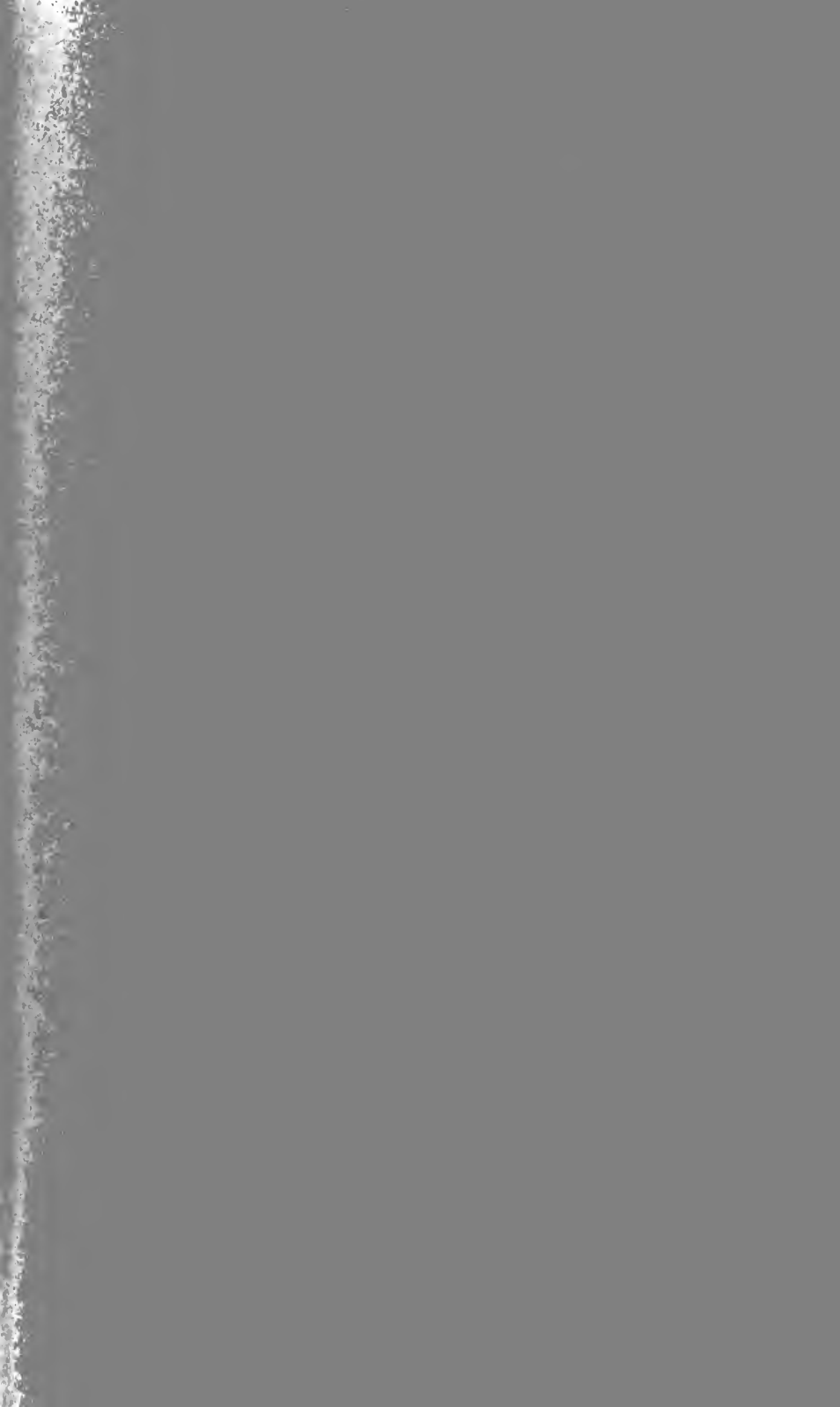
CONCLUSION

The matter in controversy here has fully been determined and decided in the State Courts of Oregon. The homestead, if any there existed, has been abandoned. The bankrupt has waived any rights he may have had, and there is now no real controversy involving real and substantial rights of the parties to the record, and no subject matter upon which the judgment of this court can operate. To give the bankrupt an exemption now in the property would be to give him something which he has given away through the Nayberger case.

Respectfully submitted,

.....*Wm. B. Layton*.....

Attorneys for Respondent and
Trustee in Bankruptcy.



State of Oregon

County of Multnomah

} ss

I, the undersigned, of attorneys for Justice

do hereby certify that I have prepared the fore-

going *Motion and Brief*

and that I am well acquainted with the

facts and circumstances of the case and a correct

and true statement of the same is set forth.

Witness my hand and seal this *October 14 1924*

M. B. Gault

No. 4256

United States
Circuit Court of Appeals
For the Ninth Circuit.

WILLIAM R. RAY and W. S. RAY MANUFACTURING COMPANY, a Corporation,
Appellants and Cross-Appellees,

vs.

BUNTING IRON WORKS, a Corporation,
Appellee and Cross-Appellant.

Transcript of Record.

Upon Appeals from the Southern Division of the United
States District Court for the Northern
District of California, Third
Division.

FILED

JUL 24 1924

F. O. MONKTON
CLERK

United States
Circuit Court of Appeals
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WILLIAM R. RAY and W. S. RAY MANUFACTURING COMPANY, a Corporation,
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Appellee and Cross-Appellant.

Transcript of Record.

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INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

	Page
Answer and Counterclaim.....	10
Answer to Counterclaim.....	30
Assignment of Errors.....	214
Assignment of Errors of Defendant and Cross- Complainant, Bunting Iron Works.....	226
Bill of Complaint.....	1
Bond on Appeal.....	217
Bond on Appeal of Defendant and Cross-Com- plainant, Bunting Iron Works.....	230
Certificate of Clerk U. S. District Court to Rec- ord on Appeal.....	237
Citation (Bunting Iron Works).....	238
Citation (William R. Ray and W. S. Ray Manu- facturing Company).....	239
Decision.....	207
Decree.....	211
Defendant and Cross-Complainant Bunting Iron Works' Condensed Statement of the Evi- dence Under Equity Rule 75, on Appeal of Said Defendant and Cross-Complainant...	222
Names and Addresses of Attorneys of Record..	1
Opening Statement for Plaintiff.....	45

Index.	Page
Order Allowing Appeal.....	216
Order Allowing Appeal of Defendant and Cross-Complainant, Bunting Iron Works.....	229
Order Allowing Withdrawal of Original Exhibits.....	220
Order Allowing Withdrawal of Original Exhibits for Use on Appeal of Defendant and Cross-Complainant, Bunting Iron Works..	235
Petition for Order Allowing Appeal.....	213
Petition of Defendant and Cross-Complainant, Bunting Iron Works, for Order Allowing Appeal.....	225
Praecipe for Transcript on Appeal.....	221
Praecipe of Defendant and Cross-Complainant, Bunting Iron Works, for Transcript of Record on Appeal of Said Defendant and Cross-Complainant.....	232
Praecipe of Defendant and Cross-Complainant Bunting Iron Works for Transcript on Appeal of Plaintiffs and Cross-Defendants (Additional).....	234
Stipulation and Order Waiving Printing of Documentary Exhibits.....	241
Stipulation In re Record on Appeals Herein...	236
TESTIMONY ON BEHALF OF PLAINTIFF:	
BARLEY, HARRY—In Rebuttal.....	170
Cross-examination.....	172
RAY, WILLIAM R.....	58
Cross-examination.....	60

	Index.	Page
TESTIMONY ON BEHALF OF PLAIN-		
TIFF—Continued:		
	In Rebuttal.....	174
	Cross-examination.....	184
	Redirect Examination.....	186
WHALEY, R. S.....		60
	Cross-examination.....	71
	In Rebuttal.....	188
	Cross-examination.....	201
	Redirect Examination.....	204
TESTIMONY ON BEHALF OF DEFEND-		
ANT:		
BECKER, JULIUS H.....		152
	Cross-examination.....	155
DE LANEY, HERBERT L.....		82
	Cross-examination.....	110
	Redirect Examination.....	138
KING, JOSEPH H.....		139
	Cross-examination.....	146
LELAND, WILLIAM E.....		164
	Cross-examination.....	166

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In the Southern Division of the United States Dis-
trict Court for the Northern District of Cali-
fornia, Southern Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFAC-
TURING CO. (a Corporation),
Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),
Defendant.

BILL OF COMPLAINT.

For Infringement of United States Letters Patent:

1,184,659—May 23, 1916.

1,193,819—Aug. 8, 1916.

1,285,376—Nov. 19, 1918.

WILLIAM R. RAY and W. S. RAY MANU-
FACTURING CO., a Corporation, plaintiffs above,

complain of BUNTING IRON WORKS, a Corporation, defendant above named, and for cause of action allege:

I.

That the plaintiff, William R. Ray, during all the times hereinafter mentioned was and is a citizen of the United States and a resident of the City and County of San Francisco, State of California; and that the plaintiff, W. S. Ray Manufacturing Co., during all the times hereinafter mentioned was and is a corporation duly organized and existing under and by virtue of the laws of the State of California, and having its principal place of business in the City and County of San Francisco, State of California.

II.

That the defendant, Bunting Iron Works, during all the times hereinafter mentioned was and is a [1*] corporation duly organized and existing under and by virtue of the laws of the State of California, with a place of business in the City of Berkeley, County of Alameda, State of California.

III.

That the ground upon which the Court's jurisdiction depends in this case is that it is a suit in equity arising under the patent laws of the United States.

IV.

That prior to the 10th day of May, 1915, said plaintiff, William R. Ray, being the first, original and sole inventor of a certain new and useful invention entitled "Oil Burner," did upon said date

*Page-number appearing at foot of page of original Certified Transcript of Record.

duly file in the Patent Office of the United States an application for letters patent for said invention.

V.

That thereafter, to wit, on the 23d day of May, 1916, said letters patent for said invention No. 1,184,659 were granted, issued and delivered unto the said William R. Ray, plaintiff above named, in due form of law in the name of the United States of America, under the seal of the Patent Office of the United States and signed by the acting commissioner of patents of the United States, whereby there was granted to the said William R. Ray, plaintiff above named, his heirs or assigns, the sole and exclusive right to make, use and vend the said invention throughout the United States and the territories thereof for the period of seventeen (17) years from May 23d, 1916; and that prior to the issuance thereof all proceedings were had and taken which were required by law to be had and taken prior to the issuance of letters patent for new and useful [2] inventions; that a more particular description of the said invention patented in and by said letters patent will more fully appear from the said letters patent themselves, which are ready in Court to be produced by the plaintiffs and profert is hereby made thereof.

VI.

That prior to the 30th day of November, 1914, said plaintiff, William R. Ray, being the first, original and sole inventor of a certain new and useful invention entitled "Oil Burner," did upon said date

duly file in the Patent Office of the United States an application for letters patent for said invention.

VII.

That thereafter, to wit, on the 8th day of August, 1916, said letters patent for said invention No. 1,193,819 were granted, issued and delivered unto the said William R. Ray, plaintiff above named, in due form of law in the name of the United States of America, under the seal of the Patent Office of the United States and signed by the Acting Commissioner of Patents of the United States, whereby there was granted to the said William R. Ray, plaintiff above named, his heirs or assigns, the sole and exclusive right to make, use and vend the said invention throughout the United States and the territories thereof for the period of seventeen (17) years from August 8th, 1916; and that prior to the issuance thereof all proceedings were had and taken which were required by law to be had and taken prior to the issuance of letters patent for new and useful inventions; that a more particular description of the said invention patented in and by said letters patent will more fully appear from the said letters [3] themselves, which are ready in Court to be produced by the plaintiffs and profert is hereby made thereof.

VIII.

That prior to the 8th day of May, 1916, said plaintiff, William R. Ray, being the first, original and sole inventor of a certain new and useful invention entitled "Oil Burner," did upon said date duly

file in the Patent Office of the United States an application for letters patent for said invention.

IX.

That thereafter, to wit, on the 19th day of November, 1918, said letters patent for said invention No. 1,285,376 were granted, issued and delivered unto the said William R. Ray, plaintiff above named, in due form of law in the name of the United States of America, under the seal of the Patent Office of the United States and signed by the Acting Commissioner of Patents of the United States, whereby there was granted to the said William R. Ray, plaintiff above named, his heirs or assigns, the sole and exclusive right to make, use and vend the said invention throughout the United States and the territories thereof for the period of seventeen (17) years from November 19th, 1918; and that prior to the issuance thereof all proceedings were had and taken which were required by law to be had and taken prior to the issuance of letters patent for new and useful inventions; that a more particular description of the said invention patented in and by said letters patent will more fully appear from the said letters patent themselves, which are ready in court to be produced by the plaintiffs and profert is hereby made thereof.

X.

That the said several inventions covered by the said three letters patent are capable of conjoint use in one and the [4] same apparatus.

XI.

That ever since the issuance of said letters patent,

and each of them, the said William R. Ray, plaintiff above named, has been and is still the sole owner and holder thereof and of each of them, and of all the rights and liberties thereby granted, save and except that he has granted a license to the plaintiff corporation, W. S. Ray Manufacturing Co., to use the said inventions, and each of them, upon the payment of a specified royalty; the said plaintiff corporation, W. S. Ray Manufacturing Co., being the exclusive licensee of the said William R. Ray, plaintiff above named, under said several letters patent, and each of them, in and throughout the territory wherein the infringements hereinafter complained of have taken place.

XII.

That said patented inventions are of great practical utility and benefit and that plaintiffs have, since and before the issuance of said letters patent, and each of them, and to this time manufactured and sold upon the open market the said patented Rotary Oil Burners described and claimed in the said letters patent, and each of them; that they have invested large sums of money in the equipment of a patent for such manufacture and in advertising and otherwise bringing their said Burners to the favorable attention of the public and of prospective buyers and users; and that they have built up a large, lucrative and expanding business, based on the special type and construction of Rotary Oil Burner covered and claimed in said letters patent, and each of them, in suit; and except for the infringements hereinafter complained of the public

has [5] in general acquiesced in the validity of said letters patent, and each of them.

XIII.

That since the issuance of said letters patent, and each of them, plaintiffs have given notice to the public that the said Oil Burners were and are patented by affixing the word "Patented," together with the day and year in which the said several letters patent, and each of them, were granted, to or in connection with the fabricated articles.

XIV.

That within six (6) years last past and since the issuance of the said several letters patent and within the Northern District of California and in the Southern Division thereof, and before the commencement of this suit, this defendant and its predecessor in interest, American Standard Oil Burner Company, has made and sold Oil Burners without the license or consent of the plaintiffs, or either of them, containing and embracing the invention described in said letters patent No. 1,184,659 and claimed and patented in and by the claims of said letters patent, and each of them; and also containing and embracing the invention described in said letters patent No. 1,193,819 and claimed and patented in and by the claims of said letters patent, and each of them; and also containing and embracing the invention described in said letters patent No. 1,285,376 and claimed and patented in and by the claims of said letters patent and each of them; and has infringed upon the said letters patent and the claims of each and all of them; and defendant is

threatening to continue the unlawful use of the aforesaid patented inventions, and which practice, manufacture and use constitute an infringement of each [6] and all of the claims of each of said letters patent; and that by reason of the said infringement as aforesaid defendant has, as your plaintiffs are informed and believe and so state the fact to be, realized large profits and plaintiffs have suffered large damages, the amounts of such profits and damages being unknown to plaintiffs and can be ascertained only by an accounting, but which profits and damages plaintiffs aver, on information and belief, aggregate in excess of One Hundred Thousand (\$100,000.00) Dollars and rightfully belong to plaintiffs, and of which no part has been paid to plaintiffs or either of them.

XV.

That plaintiffs have requested defendant to cease and desist from said infringement of said letters patent, and each of them, and to account to plaintiffs for the profits and damages aforesaid, but defendant has failed and refused to comply with said request or any part thereof.

WHEREFORE, plaintiffs pray a decree of this Court against the defendant as follows:

First: That upon the filing of this bill of complaint a preliminary injunction be granted enjoining and restraining the defendant, its agents, servants, attorneys and employees, *pendente lite*, from making, using or selling any article which infringes upon said letters patent, or any of them, or from

practicing the patented inventions, or any of them, in violation of plaintiffs' rights aforesaid.

Second: That upon the final hearing defendant, its servants, agents, attorneys and employees, and each of them, [7] be permanently and finally enjoined and restrained from making, using or selling any article, machine or apparatus which infringes upon said letters patent No. 1,184,659, No. 1,193,819 and No. 1,285,376, or any of them, and that a writ of injunction be issued out of and under the seal of this Court, enjoining the said defendant, its agents, servants, attorneys and employees as aforesaid.

Third: That plaintiffs have and recover from the defendant the profits realized by the defendant and the damages sustained by the plaintiffs from and by reason of the infringement aforesaid, together with costs of suit, and such other and further relief as to the Court may seem proper and in accordance with equity and good conscience.

WILLIAM R. RAY and

W. S. RAY MANUFACTURING CO.,

Plaintiffs.

By CHAS. E. TOWNSEND,

Attorney for Plaintiffs.

WM. A. LOFTUS,

Of Counsel. [8]

United States of America,
Northern District of California,
City and County of San Francisco,—ss.

William R. Ray, being duly sworn, deposes and says that he is one of the plaintiffs in the within-

entitled action; that he has read the foregoing bill of complaint, and knows the contents thereof; that the same is true of his own knowledge except as to the matters which are therein stated on his information or belief, and as to those matters, that he believes them to be true.

WILLIAM R. RAY.

Subscribed and sworn to before me this 6th day of February, 1922.

[Seal] W. W. HEALEY,
Notary Public in and for the City and County of
San Francisco, State of California.

[Endorsed]: Filed Feb. 7, 1922. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [9]

In the Southern Division of the United States District Court in and for the Northern District of California, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),
Plaintiff,

vs.

BUNTING IRON WORKS (a Corporation),
Defendant.

ANSWER AND COUNTERCLAIM.

Now comes Bunting Iron Works, the above-named defendant, and, answering the bill of complaint

herein of the above-named plaintiffs, admits, denies and alleges as follows:

1. Answering paragraph 1 of said bill of complaint, defendant alleges it is without knowledge of the several allegations in said paragraph and therefore leaves plaintiffs to make such proof thereof as they deem advisable.

2. Answering paragraph 2 of said bill, defendant admits the several allegations therein.

3. Answering paragraph 3 of said bill, defendant admits this is a suit arising under letters patent of the United States but denies any letters patent of the United States have been infringed by defendant at any time or place.

4. Answering paragraph 4 of said bill, defendant denies that prior to the 10th day of May, 1915, or at any other time, or at all, plaintiff, William R. Ray, was the first, or original or sole or any inventor of a certain alleged new or useful invention entitled "Oil Burner" and denies that upon said date or upon any other date he did duly, or otherwise, file in the Patent Office of the United States an application for letters patent for said alleged invention.
[10]

5. Answering paragraph 5 of said bill, defendant denies that thereafter, or on the 23d day of May, 1916, or on any other date, letters patent for said alleged invention No. 1,184,659, or any other number, were granted, or issued or delivered unto the said William R. Ray, in due form of law or in the name of the United States of America, or under the seal of the Patent Office of the United States or

signed by the Acting Commissioner of Patents of the United States, or otherwise or at all, and denies that thereby, or otherwise, there was granted to the said William R. Ray, his heirs or assigns, the sole or exclusive or any right to make, use or vend the said alleged invention throughout the United States or the territories thereof, or any part thereof, or for the period of seventeen years from May 23, 1916, or for any other period; and denies that prior to the alleged issuance thereof all or any proceedings were had or taken which were required by law to be had or taken prior to the issuance of letters patent for new and useful inventions; denies that a more particular or any description of the said alleged invention alleged to be patented in and by said alleged letters patent will more fully or at all appear from the said alleged letters patent which are alleged to be ready in Court to be produced by the plaintiffs and of which profert is made.

6. Answering paragraph 6 of said bill, defendant denies that prior to the 30th day of November, 1914, or at any other time, or at all, plaintiff, William R. Ray was the first or original or sole or any inventor of a certain alleged new or useful invention entitled "Oil Burner" and denies that upon said date or upon any other date he did duly, or otherwise, file in the Patent Office of the United States an application for letters patent for said alleged invention. [11]

7. Answering paragraph 7 of said bill, defendant denies that thereafter, or on the 8th day of August 1916, or on any other date, letters patent for said

alleged invention No. 1193819 or any other number, were granted, or issued or delivered unto the said William R. Ray, in due form of law or in the name of the United States of America, or under the seal of the Patent Office of the United States or signed by the Acting Commissioner of Patents of the United States, or otherwise or at all, and denies that thereby, or otherwise, there was granted to the said William R. Ray, his heirs, or assigns, the sole or exclusive or any right to make, use or vend the said alleged invention throughout the United States or the territories thereof, or any part thereof, or for the period of seventeen years from August 8, 1916, or for any other period; and denies that prior to the alleged issuance thereof all or any proceedings were had or taken which were required by law to be had or taken prior to the issuance of letters patent for new and useful inventions; denies that a more particular or any description of the said alleged invention alleged to be patented in and by said alleged letters patent will more fully or at all appear from the said alleged letters patent which are alleged to be ready in court to be produced by the plaintiffs and of which profert is made.

8. Answering paragraph 8 of said bill, defendant denies that prior to the 8th day of May, 1916, or at any other time, or at all, plaintiff, William R. Ray, was the first or original or sole or any inventor of a certain alleged new or useful invention entitled "Oil Burner" and denies that upon said date or upon any other date he did duly, or otherwise, file

in the Patent Office of the United States an application for letters patent for said alleged invention.

9. Answering paragraph 9 of said bill, defendant denies that thereafter, or on the 19th day of November 1918, or on [12] any other date, letters patent for said alleged invention No. 1285376, or any other number, were granted, or issued or delivered unto the said William R. Ray, in due form of law or in the name of the United States of America, or under the seal of the Patent Office of the United States or signed by the Acting Commissioner of Patents of the United States, or otherwise or at all, and denies that thereby, or otherwise, there was granted to the said William R. Ray, his heirs or assigns, the sole or exclusive or any right to make, use or vend the said alleged invention throughout the United States or the territories thereof, or any part thereof, or for the period of seventeen years from November 19, 1918, or for any other period; and denies that prior to the alleged issuance thereof all or any proceedings were had or taken which were required by law to be had or taken prior to the issuance of letters patent for new and useful inventions; denies that a more particular or any description of the said alleged invention alleged to be patented in and by said alleged letters patent will more fully or at all appear from the said alleged letters patent which are alleged to be ready in court to be produced by the plaintiffs and of which profert is made.

10. Answering paragraph 10 of said bill, defendant denies said several alleged inventions alleged to be covered by the said alleged letters patent are

capable of conjoint or any use in one or the same apparatus or in any apparatus or thing.

11. Answering paragraph 11 of said bill, defendant denies that ever since the issuance of said alleged letters patent and/or each of them, or at any other time or at all, the said William R. Ray has been or is still the sole or any owner thereof or of each or of any of them or of all or of any of the alleged rights or liberties alleged to be thereby granted and denies that he has granted a license to the plaintiff corporation, W. S. Ray Mfg. Co., to use the said alleged inventions, or any of them, upon [13] the payment of a specified royalty, or otherwise or at all; and denies that the said W. S. Ray Manufacturing Co. is the exclusive or any licensee of the said William R. Ray under the said several alleged letters patent or under any of them, in or throughout the territory wherein the alleged infringements thereafter complained of are alleged to have taken place, or elsewhere.

12. Answering paragraph 12 of said bill, defendant denies that said alleged patented inventions are, or any of them is of great practical utility, or of any utility, or of any benefit or that plaintiffs, or either of them, since or before the alleged issuance of said alleged letters patent, or each of them, or at this time, or at any other time, or at all, have or has manufactured or sold upon the open market, or otherwise, the said alleged patented Rotary Oil Burners, or any of them, alleged to be described and claimed in the said alleged letters patent, or in any of them; denies that plaintiffs have, or either of

them has, invested large or any sums of money in the equipment of a plant for such alleged manufacture or in advertising or otherwise bringing their said alleged Burners to the favorable or other attention of the public or of prospective buyers or users, or otherwise or at all; and denies that plaintiffs have, or either of them has, built up a large, lucrative, expanding or any business alleged to be based on the alleged special type or construction of Rotary Oil Burner alleged to be covered or claimed in said alleged letters patent, or in each or any of them; and denies that except for the alleged infringements complained of, or otherwise, the public in general, or any one, acquiesced in the validity of said alleged letters patent or of any of them.

13. Answering paragraph 13 of said bill, defendant denies that, since the alleged issuance of said alleged letters patent, or of each or of any of them, plaintiffs have, or [14] either plaintiff has, given notice to the public that the said alleged Oil Burners were or are patented by affixing the word "Patented" together with the alleged day and year in which it is alleged said several alleged letters patent, and/or each of them, were granted, to or in connection with the alleged fabricated articles, or otherwise or at all.

14. Answering paragraph 15 of said bill, defendant denies that within six years last past or since the alleged issuance of said several alleged letters patent, or at any other time, or within the Northern District of California, or in the Southern Division thereof, or elsewhere, or before the commencement

of this suit, or at any time or place or otherwise, this defendant, or its alleged predecessor in interest, American Standard Oil Burner Company, has made or sold Oil Burners, or any other thing, without the license or consent of the plaintiffs, or of either of them, containing or embracing the alleged invention alleged to be described in said alleged letters patent No. 1184659, or claimed or patented in or by the alleged claims of said alleged letters patent, or each or any of them; or containing or embracing the alleged invention alleged to be described in said alleged letters patent No. 1193819 or claimed or patented in or by the alleged claims of said alleged letters patent, or each or any of them; or containing or embracing the alleged invention alleged to be described in said alleged letters patent No. 1285376 or claimed or patented in or by the alleged claims of said alleged letters patent, or each or any of them; or has infringed upon the said alleged letters patent, or any of them, or upon the claims, or any of them, of each or of all or of any of them; or that defendant is threatening to continue the alleged unlawful or any use of the aforesaid alleged patented inventions, or any of them, and denies that any practice, manufacture or use by defendant constitutes [15] an infringement of each or of all or of any of the alleged claims of each or of any of said alleged letters patent; denies that by reason of said alleged infringement or of any wrongful act, defendant has realized large or any profits or that plaintiffs have, or either plaintiff has, suffered large or any damages and denies that any such prof-

its and damages aggregate in excess of One Hundred Thousand Dollars, or any other sum or amount to anything at all; and, in that regard, defendant alleges it has not infringed said alleged letters patent, or any of them, or any claim or claims therein, at any time or place and has not made, used or sold anything, at any time or place, embracing or embodying anything alleged to be patented in or by said alleged letters patent, or any of them, and that plaintiffs have not, and neither plaintiff has, at any time or place, suffered any damage and defendant has not at any time, realized any profit by reason of any alleged infringement by defendant.

15. Answering paragraph 15 of said bill, defendant denies plaintiffs have, or either of them has, requested defendant to cease or desist from any alleged infringement of said alleged letters patent, or any of them, or to account to plaintiffs, or to either of them, for the said alleged profits or damages and, in that regard, defendant alleges it has not infringed said letters patent, or any of them, at any time or place.

16. And for a further and separate defense, defendant alleges that, by reason of the state of the prior art existing at the time of said alleged invention by said William R. Ray of the thing alleged to be described and patented in and by said alleged letters patent No. 1184659, the said thing was not an invention and did not require an exercise of the inventive faculties for its production and was not patentable, for which reason said alleged letters

patent No. 1184659 are null, void and of no effect.
[16]

17. And for a further and separate defense, defendant alleges that, by reason of the state of the prior art existing at the time of said alleged invention by said William R. Ray of the thing alleged to be described and patented in and by said alleged letters patent No. 1193819, the said thing was not an invention and did not require an exercise of the inventive faculties for its production and was not patentable, for which reason said alleged letters patent No. 1193819 are null, void and of no effect.

18. And for a further and separate defense, defendant alleges that, by reason of the state of the prior art existing at the time of said alleged invention by said William R. Ray of the thing alleged to be described and patented in and by said alleged letters patent No. 1285376, the said thing was not an invention and did not require an exercise of the inventive faculties for its production and was not patentable, for which reason said alleged letters patent No. 1285376 are null, void and of no effect.

19. For a further and separate defense, defendant alleges that the said William R. Ray was not the original or first or sole or any inventor or discoverer of the alleged invention alleged to be patented in and by said letters patent No. 1193819 or of any material or substantial part thereof, but, long prior to the alleged invention thereof by the said Ray and more than two years prior to the filing of the application for said letters patent, the said alleged invention, and every material and substantial part there-

of, had been shown, described and patented in and by each of the following letters patent of the United States of America and had been invented by each of the patentees named in each of said letters patent and each of said patentees was the first and original inventor thereof and, at all times, was using reasonable diligence in adapting and perfecting [17] the same, and the respective places of residence of said patentees are respectively set forth in said letters patent, to wit:

Patent No.	Patent Date.	Patentees
73,506	January 21, 1868	F. Cook.
100,268	March 1, 1870	A. DeLandsee.
473,759	April 26, 1892	J. S. Klein.
540,650	June 11, 1895	A. H. Eddy.
540,651	June 11, 1895	A. H. Eddy.
548,647	October 29, 1895	C. P. Mack.
752,900	February 23, 1904	W. E. Gibbs.
1,009,525	November 21, 1911	S. T. Johnson.
1,022,122	April 2, 1912	W. M. Britten.
1,026,663	May 21, 1912	M. A. Fessler.
1,085,334	January 27, 1914	W. Gordin.
1,095,447	May 5, 1914	J. H. Becker.
1,101,779	June 30, 1914	J. H. Becker.
1,102,387	July 7, 1914	W. M. Britten.
1,113,108	October 6, 1914	M. A. Fessler.
1,158,058	October 26, 1915	J. H. King.
764,718	July 12, 1904	G. Gordejoff.
668,236	February 19, 1901	G. C. Thorm.
426,713	April 29, 1890	C. M. Collins.
563,483	July 7, 1896	R. Hammann & J. Voegeli.
799,560	September 12, 1905	R. W. Hammann.

Patent No.	Patent Date.	Patentees.
530,539	December 11, 1894	S. G. Leyson.
315,145	April 7, 1885	A. T. Kinney.
719,716	February 3, 1903	J. W. Anderson.
1,157,964	October 26, 1915	W. E. Shore.

20. For a further and separate defense, defendant alleges that the said William R. Ray was not the original or first or sole or any inventor or discoverer of the alleged invention [18] alleged to be patented in and by said letters patent No. 1,184,659, or of any material or substantial part thereof, but, long prior to the alleged invention thereof by the said Ray and more than two years prior to the filing of the application for said letters patent, the said alleged invention, and every material and substantial part thereof, had been shown, described and patented in and by each of the following letters patent of the United States of America and had been invented by each of the patentees named in each of said letters patent and each of said patentees was the first and original inventor thereof and, at all times, was using reasonable diligence in adapting and perfecting the same, and the respective places of residence of said patentees are respectively set forth in said letters patent, to wit: the said several United States letters patent specified and identified in paragraph 19 of this answer.

21. For a further and separate defense, defendant alleges that the said William R. Ray was not the original or first or sole or any inventor or discoverer of the alleged invention alleged to be patented in and by said letters patent No. 1,285,376, or of any mater-

ial or substantial part thereof, but, long prior to the alleged invention thereof by the said Ray and more than two years prior to the filing of the application for said letters patent, the said alleged invention, and every material and substantial part thereof, had been shown, described and patented in and by each of the following letters patent of the United States of America and had been invented by each of the patentees named in each of said letters patent and each of said patentees was the first and original inventor thereof and, at all times, was using reasonable diligence in adapting and perfecting the same, and the respective places of residence of said patentees are respectively set forth in said letters patent, to wit: the said several United States letters patent specified and identified in paragraph 19 of this answer. [19]

22. For a further and separate defense, defendant alleges that the said William R. Ray surreptitiously and unjustly obtained said several letters patent Nos. 1,193,819; 1,184,659 and 1,285,376 for that which, in fact, was first invented by another, to wit: Joseph H. King, who resided and now resides in Oakland, Alameda County, State of California, and who at all times was using reasonable diligence in adapting and perfecting the same and the said Joseph H. King was the original and first inventor of the respective inventions and subjects matter respectively claimed and disclosed in said three letters patent and of each of them and of every material and substantial part thereof.

23. For a further and separate defense, defend-

ant alleges that the said William R. Ray surreptitiously and unjustly obtained said several letters patent Nos. 1,193,819; 1,184,659 and 1,285,376 for that which, in fact, was first jointly invented by others, to wit: Joseph H. King, who resided and now resides in said city of Oakland, and Julius Becker who resided and now resides in San Francisco, California, who, at all times, were using reasonable diligence in adapting and perfecting the same, and the said Joseph H. King and Julius Becker were the original and first inventors of the respective inventions and subjects matter respectively claimed and disclosed in said three letters patent and of each of them and of every material part thereof.

24. For a further and separate defense, defendant alleges that more than two years prior to the filing of the respective applications for said three letters patent Nos. 1,193,819; 1,184,659 and 1,285,376, and prior to the alleged invention by said Ray of the respective inventions respectively claimed therein, or any of them, each and all said alleged inventions had been in public use and each and all of same had been publicly used and had been on public sale and sold in the city of Oakland [20] and in the county of Alameda, State of California, by American Heat & Power Company, a corporation organized and existing under and by virtue of the laws of the state of California and by the American Standard Oil Burner Co., a like corporation.

25. For a further and separate defense, defendant alleges that the devices made and sold by it and

herein charged to be an infringement of plaintiffs' said three letters patent, have been for many years last past made and sold by defendant and by its predecessor in interest, said American Standard Oil Burner Company and by said latter company's predecessor in interest, said American Heat & Power Company, that the said manufacture and sale of said devices was, at all such times, known to the plaintiffs and to each of them but, prior to the commencement of this suit, plaintiffs, and neither of them, ever notified defendant, or either of its said predecessors in interest, that said devices, or any of them, were claimed by plaintiffs, or by either of them, to be an infringement of any letters patent owned by plaintiffs, or by either of them, but plaintiffs, and both of them, at all said times, with full knowledge of said manufacture and sale of said devices, remained silent and failed to assert their rights, if any, under said three letters patent sued on herein, or under any of them, and, by reason of plaintiffs' said silence and failure to claim said devices, or any of them, infringed plaintiff's patents, or any of them, and in reliance thereupon, defendant and its said predecessors in interest, manufactured and sold said devices and expended many thousands of dollars in building up a business in the manufacture and sale of said devices, all without protest from or the assertion of any alleged claims or rights by plaintiffs, or either of them, wherefore defendant charges and alleges plaintiffs are, and each of them is, estopped from asserting or maintaining herein the alleged infringement of said let-

ters patent [21] or any of them, sued on herein and, by reason of the said facts, plaintiffs have, and each of them has, been guilty of laches in asserting any such alleged rights and in alleging infringement of said letters patent, or any of them, sued on herein.

SET-OFF, COUNTERCLAIM AND CROSS-COMPLAINT.

And for a further and separate defense and by way of set-off and counterclaim and cross-complaint against plaintiffs and praying for affirmative relief, defendant alleges as follows:

26. That the respective full names of the plaintiffs are William R. Ray and W. S. Ray Manufacturing Co., and, at all the times hereinafter mentioned, said William R. Ray was and is a resident of the City and County of San Francisco, State of California and a citizen of said State and said W. S. Ray Manufacturing Co., was and is a corporation organized and existing under the laws of said State and having its principal place of business in the said City and County of San Francisco; that the full name of defendant is Bunting Iron Works and, at all said times, said defendant was and is a corporation organized and existing under and by virtue of the laws of said State and having its principal place of business in the City of Berkeley, Alameda County, State of California.

27. That the ground upon which the court's jurisdiction, on this counterclaim, set-off and cross-complaint, depends is that the same is a cause of

action arising under the patent laws of the United States.

28. That heretofore, to wit, prior to March 23, 1914, one, Joseph H. King, a citizen of the United States and a resident of the city of Oakland, Alameda County, in said State, was the first, original and sole inventor of a new and useful invention entitled "Centrifugal Burner," and, on said 23d day of March, 1914, the said King filed in the Patent Office [22] of the United States an application for letters patent for his said invention.

29. That thereafter and before the issuance of any letters patent upon said application, the said invention, application and any letters patent issued thereon, were, by mesne assignments in writing, duly executed and delivered, assigned, transferred and conveyed by the said King to American Standard Oil Burner Company, a corporation then organized and existing under the laws of the State of California and having its principal place of business in said city of Oakland.

30. That thereafter such proceedings were duly and regularly had and taken in respect to such application; that, on October 26, 1915, letters patent of the United States for the said invention, dated on said day and numbered 1,158,058 were issued and delivered by the Government of the United States to said American Standard Oil Burner Company, whereby there was granted unto to it, its successors and assigns, for the term of seventeen years from the said 26th day of October, 1915, the exclusive right to make, use and sell the said invention, and

devices embracing the same, throughout the United States of America and the territories thereof; and a more particular description of said invention, patented in and by said letters patent No. 1,158,058, will fully appear from the said letters patent themselves which are ready in court to be produced by defendant and of which profert is hereby made.

31. That after the issuance of said letters patent and prior hereto, the said letters patent No. 1,158,058 together with all claims, demands and causes of action for the past infringement thereof, were, by an instrument in writing duly signed and executed, assigned, transferred and conveyed, by said American Standard Oil Burner Company and the then owner of said letters patent, to defendant, Bunting Iron Works and [23] ever since such assignment to it, said Bunting Iron Works has been and now is the sole and exclusive owner of said letters patent No. 1,158,058 and of all said claims, demands, and causes of action for the past infringement thereof.

32. That within six years last past and prior to the filing of this suit, in the Southern Division of the Northern District of California and elsewhere, without the license or consent of said American Standard Oil Burner Company or defendant, Bunting Iron Works, the plaintiffs herein, William R. Ray and W. S. Ray Manufacturing Co., jointly made and sold devices embodying the said invention patented in and by said letters patent No. 1,158,058 and jointly infringed said letters patent No. 1,158,058, and each and all the claims thereof.

33. That by reason of said infringement, said American Standard Oil Burner Company and this defendant, Bunting Iron Works, suffered damages and plaintiffs, William R. Ray and W. S. Ray Manufacturing Company, realized profits, but the exact amounts of said damages and profits are unknown to defendant, Bunting Iron Works, and can be ascertained only by an accounting.

34. That said American Standard Oil Burner Company heretofore requested said plaintiffs to cease and desist from the further infringement of said letters patent and to account to it for the said damages and profits, but said plaintiffs failed and refused to comply with such request, or any part thereof.

35. That said plaintiffs, William R. Ray and W. S. Ray Manufacturing Company are now continuing to infringe said letters patent No. 1,158,058 and each and all the claims thereof, and threaten to continue such infringement, and, unless restrained by this Honorable Court, will continue to infringe the same, whereby defendant, Bunting Iron Works, will suffer [24] great and irreparable injury and damage for which it has no plain, speedy or adequate remedy at law.

WHEREFORE, defendant, Bunting Iron Works prays:

1. That plaintiffs take nothing by this suit and their bill of complaint herein be dismissed and costs awarded to defendant.

2. That a final decree be made and entered herein in favor of defendant and against plaintiffs, per-

petually enjoining the said plaintiffs, William R. Ray and W. S. Ray Manufacturing Company, their respective agents, officers, servants, workmen, attorneys, and employees, and each of them, from making, using or selling any device embodying or containing the invention patented in and by said letters patent No. 1,158,058 or any of the claims thereof and from infringing said letters patent directly or indirectly.

3. That upon the filing of this counterclaim and cross-complaint, preliminary injunction be granted enjoining said plaintiffs as herein prayed in respect to said final decree.

4. That defendant have and recover from said plaintiffs, the profits realized by them and the damages suffered by said American Standard Oil Burner Company and by defendant from and by reason of plaintiff's said infringement of said letters patent together with costs of suit and such other and further relief as to the Court may seem proper and in accordance with equity and good conscience.

BUNTING IRON WORKS.

By WM. K. WHITE,

Its Attorney.

WM. K. WHITE,

Solicitor for Defendant.

WM. K. WHITE,

Solicitor and Counsel for Bunting Iron
Works. [25]

Service of the within Answer and counterclaim admitted this 27th day of April, A. D. 1922.

CHAS. E. TOWNSEND,
For Plaintiffs.

[Endorsed]: Filed Apr. 28, 1922. W. B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [26]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),
Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),
Defendant.

ANSWER TO COUNTERCLAIM.

Now come plaintiffs, William R. Ray and W. S. Ray Manufacturing Company, and answering the defendant's alleged set-off, counterclaim and cross-complaint contained in defendant's answer herein, admit, deny and allege as follows:

1. Answering paragraph 26 of said cross-complaint, plaintiffs admit the several allegations therein.

2. Answering paragraph 27 of said cross-complaint, plaintiffs admit that this court has juris-

diction of causes of action arising under the patent laws of the United States, but deny that that defendant has any cause of action against plaintiffs arising under the patent laws of the United States, or under any laws whatever.

3. Answering paragraph 28 of said cross-complaint, plaintiffs admit that one, Joseph H. King, did on the 23d day of March 1914, file in the Patent Office of the United States an application for letters patent for an alleged new and useful invention entitled "Centrifugal Burner," but plaintiffs not being advised, save by the allegations of said paragraph, as to the truth of the remaining allegations therein, deny the same and call upon the defendant for full proof thereof. [27]

4. Answering paragraph 29 of said cross-complaint, plaintiffs are not advised, save by the allegations of said paragraph, as to the truth thereof, and therefore deny the same, and each and every allegation thereof, and call upon defendant for full proof thereof.

5. Answering paragraph 30 of said cross-complaint, plaintiffs admit that United States letters patent No. 1,158,058 were on the 26th day of October, 1915, issued to American Standard Oil Burner Company, of Oakland, California, but not being advised, save by the allegations of said paragraph as to the truth of the remaining allegations therein, deny the same and call upon the defendant for full proof thereof.

6. Answering paragraph 31 of said cross-complaint, plaintiffs are not informed save by the allegations of said paragraph of the truth of the alle-

gations thereof and therefore deny the same and call upon the defendant for full proof thereof.

7. Answering paragraph 32 of said cross-complaint, plaintiffs deny that within the six years last past and prior to the filing of this suit, or at any other time, or at all, or within the Southern Division of the Northern District of California, or elsewhere, without the license or consent of the American Standard Oil Burner Company, or the defendant herein, the W. S. Ray Manufacturing Company and William R. Ray, or either of them, jointly and/or separately made and/or sold devices containing or embodying the said alleged invention alleged to be described in said alleged letters patent No. 1,158,058, or claimed or patented in or by the alleged claims of said alleged letters patent No. 1,158,058, or each or any of said claims. [28]

8. Answering paragraph 33 of said cross-complaint, plaintiffs deny that by reason of said alleged infringement or of any wrongful act of plaintiffs, or either of them, the defendant has suffered damages; and deny that because of said alleged infringements or of any wrongful act by plaintiffs or either of them, they, the plaintiffs, have realized profits; plaintiffs admit that the exact amount of damages, or wrongfully acquired profits, are unknown, but deny that the exact amount or any amount can be ascertained by an accounting or otherwise.

9. Answering paragraph 34 of said cross-complaint, plaintiffs deny that they have, or either of them has, ever disregarded any notice of infringement of defendant's rights under said letters patent

number 1,158,058, or that they have, or either of them has, refused to account to said defendant for any damages or profit to which defendant is entitled.

10. Answering paragraph 35 of said cross-complaint, plaintiffs deny that they are, or either of them is, now continuing to infringe said letters patent No. 1,158,058, or each or all or any of the claims thereof, or that they or either of them threaten to continue such alleged infringement, or that they, or either of them, will continue to infringe the same, or that they, or either of them, contemplate any future infringements thereof; and deny further that defendant will suffer any great or irreparable, or any, injury and/or damage for which it has no plain, adequate and complete remedy at law.

11. Without waiving any of the matters and things above set forth, but repeating and insisting thereupon, plaintiffs further answering say that the devices which the plaintiffs are manufacturing and have for a long time been manufacturing, and which are the devices presumably complained [29] of, operate on an entirely different principle and have an entirely different mode of operation from the alleged patented devices of the defendant; that plaintiffs' devices are patented under valid United States letters patent and that said plaintiffs' devices, and none of them, are in anywise in infringement of defendant's said patent, or any rights thereunder.

12. And as a further and separate defense to said alleged set off, counterclaim and cross-com-

plaint, plaintiffs allege that the devices made and sold by them and charged by said set off, counter-claim and cross-complaint to be an infringement of defendant's said letters patent No. 1,158,058, have been for many years last past made and sold by plaintiffs herein, and each of them, and that said manufacture and sale of said devices was at all such times open and notorious, and well known to the defendant herein and to its predecessors in interest; and more particularly that prior to the 20th day of December, 1915, the plaintiff corporation herein, W. S. Ray Manufacturing Co., was engaged in manufacturing and selling, in the city and county of San Francisco, State of California, and elsewhere, Rotary Crude Oil Burners of the character and type identical in principle with the devices charged by said cross-complaint to infringe defendant's said patent No. 1,158,058; and that W. S. Ray Manufacturing Co. had given to said burners the trade name of "Ray Rotary Crude Oil Burners"; that at said time this plaintiff corporation, W. S. Ray Manufacturing Co., owned, maintained and operated at San Francisco, California, a factory and machine shop where said Ray Rotary Crude Oil Burners were manufactured, and prior to said 20th day of December, 1915, had been manufacturing and selling said Ray Rotary Crude Oil Burners [30] for a considerable period of time, all with the full knowledge of the American Standard Oil Burner Company, the predecessor in interest of the defendant herein; that notwithstanding the fact that the said Ray Rotary Crude Oil Burners that this plaintiff corporation, W. S. Ray

Manufacturing Co., were different in principle, construction, and mode of operation from the device shown, described and claimed in said King Patent No. 1,158,058 of this defendant, the said American Standard Oil Burner Company, defendant's predecessor in interest, did on the 20th day of December, 1915, file suit in this court, without just or any cause, against the said W. S. Ray Manufacturing Co., plaintiff corporation herein, being suit in equity No. 239, alleging the infringement of said letters patent to King No. 1,158,058, but that the said suit was voluntarily dismissed by said American Standard Oil Burner Company on the 26th day of May, 1919; that prior to said dismissal the said American Standard Oil Burner Company, by its officers, engineers and representatives, so plaintiffs are informed and believe and so state the fact to be, personally and critically examined the plaintiffs' said Ray Rotary Crude Oil Burners such as are here claimed to be infringements for the purpose of ascertaining if said Ray Rotary Crude Oil Burners were actual infringements of said King Patent No. 1,158,058; that said American Standard Oil Burner Company at the time of dismissing said suit knew of the growing and expanding business of these plaintiffs in said Ray Rotary Crude Oil Burners but never during all the intervening years following the dismissal of said suit on the 26th day of May, 1919, until the filing of the present answer of this defendant, did the American Standard Oil Burner Company or its successors in interest, the Bunting Iron Works, present [30½] defendant, ever intimate by word

or deed that they, or either of them, considered the Ray Rotary Crude Oil Burner an infringement of the said King patent No. 1,158,058, or of any other patent owned by defendant or its predecessor in interest, American Standard Oil Burner Company; that the officers of the said American Standard Oil Burner Company, predecessor in interest of the defendant, both before and after the dismissal of said suit expressed to these plaintiffs on more than one occasion that said suit against this plaintiff corporation, W. S. Ray Manufacturing Co., had been brought against their wishes and judgment and that they had been instigated to bring suit by one who was no longer at that time in their employ, and following the latter's disconnection from the American Standard Oil Burner Company said suit had been dismissed; that following the dismissal of said suit and the aforesaid facts and occurrences plaintiffs continued the manufacture and sale of its Ray Rotary Crude Oil Burners and increased its factory and machine shops at San Francisco, California, by purchasing additional ground, erecting additional buildings, securing additional capital, tools and implements, hiring additional workmen and mechanics skilled in the art, for the purpose of building up a larger and more extensive business in said Ray Rotary Crude Oil Burners, and up to the time of the commencement of this suit plaintiffs had expended large sums of money in that behalf, as well as in advertising and opening up new territory, aggregating more than Two Hundred Thousand (\$200,000.00) Dollars, and had manufactured

and sold large numbers of their said Ray Rotary Crude Oil Burners throughout the United States, and many foreign countries, with the result that the plaintiffs now own and operate large and extensive manufacturing works at San Francisco, [31] California, at which its said Ray Rotary Crude Oil Burners are being manufactured; that plaintiffs' said Ray Rotary Crude Oil Burners are in extensive use by the United States Government and by thousands of manufacturing plants, hotels, residences, apartments, resorts and industrial plants throughout the world, the said plaintiffs employing in the aggregate more than seventy-five (75) workmen and employees, carrying on and conducting a large and extensive business and selling the products thereof throughout the United States and foreign countries; that from the date of the dismissal of said suit on the 26th day of May, 1919, up to the 27th day of April, 1922, when the defendant, Bunting Iron Works, filed its answer, neither the said defendant, Bunting Iron Works, nor any person connected therewith or with its predecessor in interest, American Standard Oil Burner Company, ever charged, claimed or pretended that the said Ray Rotary Crude Oil Burner made and sold by plaintiffs were infringements upon the said King patent No. 1,158,058, but on the contrary continuously during all of said period of time, said Bunting Iron Works and said American Standard Oil Burner Company and all persons connected with said corporations, and either of them and/or interested in said King patent No.

1,158,058, remained silent and acquiesced, although at all of said times they were aware of the manufacture and sale of the said Ray Rotary Crude Oil Burners and Ray Oil Burning Systems by plaintiffs and of all the doings and proceedings by plaintiffs in that behalf; that the said Ray Rotary Crude Oil Burners and Ray Oil Burning Systems made and sold by plaintiffs during said period of time and now being made and sold by plaintiffs, and charged herein to be infringements of the said King patent No. 1,158,058, are substantially the same mechanical details of construction, principle [32] and mode of operation as the Ray Rotary Crude Oil Burner and Ray Oil Burning System which were being made by plaintiff corporation and which constituted the subject matter of the aforesaid suit against the plaintiff corporation, W. S. Ray Manufacturing Co., that during all of said times the defendant and its predecessor in interest, American Standard Oil Burner Company, were each of them fully aware that plaintiffs herein were spending large sums of money for an additional plant and equipment and in advertising and were devoting great effort and time to bring said plaintiffs' devices to the favorable attention of the public; that by reason of said silence of said defendant and its predecessor in interest, American Standard Oil Burner Company, and their acquiescence in the doings of the plaintiffs as aforesaid and of the failure of the defendant and the said American Standard Oil Burner Company to assert any claim against these plaintiffs, or either of them,

that plaintiffs' said devices were an infringement, and by reason of the affirmative action on the part of the said American Standard Oil Burner Company in dismissing its suit aforesaid and of the affirmative statements made on behalf of the said American Standard Oil Burner Company and the present defendant, Bunting Iron Works, the plaintiffs herein, and each of them, were led to believe that they, and neither of them, infringed upon the rights of defendant herein or its predecessor in interest, American Standard Oil Burner Company, under said King letters patent No. 1,158,058, and relying upon such belief plaintiffs in good faith continued to manufacture and sell said devices now complained of as infringements of said King patent No. 1,158,058 and otherwise expanded and built up its business, all without protest from or the assertion of any alleged claim of [33] rights by defendants herein, or its predecessor in interest, American Standard Oil Burner Company, or either of them, and this over a long period of years.

WHEREFORE, plaintiffs charge and allege that the American Standard Oil Burner Company, and the defendant herein in its own right and as successor in interest of said American Standard Oil Burner Company, and each of them, is estopped from asserting or maintaining herein the alleged infringement of said letters patent, or any of the claims thereof, and by reason of said facts, defendant and said American Standard Oil Burner Company have, and each of them has, been guilty of laches in asserting any such alleged rights, and in alleging infringement of said letters patent, or

any of the claims thereof, as alleged in the cross-complaint herein.

And plaintiffs further aver that they are informed by their counsel and verily believe and upon such information and belief allege that by virtue of the facts aforesaid defendant ought not to be allowed in equity to maintain its alleged set-off, counterclaim and cross-complaint against plaintiffs, or either of them, and is estopped from so doing.

WHEREFORE, these plaintiffs aver that it is contrary to equity and good conscience for defendant to maintain against them their alleged set-off, counterclaim and cross-complaint, or to obtain an injunction, or an accounting, or any other relief whatsoever, and plaintiffs pray that defendant take nothing by its alleged cross-complaint filed herein and that the same be dismissed, and that judgment be entered in favor of plaintiffs and against defendant in accordance with the prayer of the [34] bill of complaint herein.

W. R. RAY and

W. S. RAY MANUFACTURING CO.

By CHAS. E. TOWNSEND,

Their Attorney.

CHAS. E. TOWNSEND,

Solicitor and Counsel for Plaintiffs.

WM. A. LOFTUS,

Of Counsel.

Receipt of copy of the within Answer admitted this 24th day of June, A. D. 1922.

W. K. WHITE,

For Defendant.

[Endorsed]: Filed Jun. 26, 1922. W. B. Mal-
ing, Clerk. By J. A. Schaertzer, Deputy Clerk.
[35]

In the Southern Division of the United States Dis-
trict Court for the Northern District of Cali-
fornia, Second Division.

Before Hon. GEORGE M. BOURQUIN, Judge.

No. 689—EQUITY.

WILLIAM R. RAY and W. S. RAY MFG. CO.,
a Corporation,

Plaintiff,

vs.

BUNTING IRON WORKS,

Defendant.

Wednesday, March 12, 1924.

REPORTER'S TRANSCRIPT.

INDEX.

	Direct	Cross	Re-D.	Re-X.
Opening Statement for Plaintiff..	3			
Wm. R. Ray.....	14	16		
R. S. Whaley.....	16	24		
Opening Statement for Defendant	29			
Herbert L. De Laney.....	34	58	80	
Joseph H. King.....	81	86		
Julius H. Becker.....	90	93		

In the Southern Division of the United States District Court, in and for the Northern District of California, Second Division.

Before Hon. GEORGE M. BOURQUIN, Judge.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MFG. CO.,
a Corporation,

Plaintiff,

vs.

BUNTING IRON WORKS,

Defendant.

TESTIMONY.

Wednesday, March 12, 1924.

Counsel Appearing:

For the Plaintiff: CHARLES E. TOWNSEND,
Esq.

For the Defendant: WILLIAM K. WHITE,
Esq.

Mr. WHITE.—If your Honor please, I ask leave to amend the answer by adding two paragraphs thereto, which paragraphs set up the defense that the invention of one of the patents in suit was on sale and in public use in San Francisco in 1914, and prior to September of that year. This public use was only brought to our attention and we gained knowledge of it for the first time on yesterday. However, your Honor, it took place here in San Francisco, and the device, which was an oil burner,

was installed in the Stanford Court Apartments, in this city, and in the Matsonia Apartments, also in this city, by the Wett Company, of this city, prior to September, 1914, and in that year, 1914. So that prior to the time that we put in our proofs it will be a very easy matter for the other side to investigate [36—1] the situation and find out about it, if there is any doubt in their minds about it.

And in connection with that defense, if your Honor please, we will call only two witnesses, one from the Wett Company, who will prove the book entries in connection with those jobs, and the other the man who installed the burner. This application, your Honor, is supported by an affidavit of the president of the defendant company.

Mr. TOWNSEND.—This motion comes somewhat belated. I just received notice a few moments ago of the proposed amendment. The suggested prior use is by a concern that has been in existence here in San Francisco, or was for a great many years, and their business was well known to the whole trade for years. I do not know how this could have been known to us, for this is the first time I have heard of it. I think, your Honor, the motion is rather belated under section 4920 of the Revised Statutes, which requires 30 days' notice before trial. We do not want to delay the trial, but yet we ought not be taken by surprise in this way, with the charge that we have surreptitiously taken another man's invention. This man who is set up as a prior inventor is dead. I think the motion ought to be

denied under the general rule of lack of due diligence.

Mr. WHITE.—We only investigated the matter for about half an hour yesterday, your Honor, and that was during the noon hour; the opposing side could fully investigate it in that same time to the same extent that we did. I do not like to ask for a continuance, but, nevertheless, if this defense is not allowed to be put into this case it will hang on to the case all the way up to the Court of Appeals.

The COURT.—How long has this case been at issue?

Mr. TOWNSEND.—Since 1922, early in 1922. [37—2]

Mr. WHITE.—Yes, since early in 1922.

The COURT.—I have not in *the* mind the statutes, but do they provide that there shall be no evidence of prior use unless pleaded?

Mr. TOWNSEND.—Yes, your Honor, under section 4920 of the Revised Statutes.

The COURT.—And it is not permissible for any other purpose?

Mr. WHITE.—It is permissible, your Honor, for the purpose of showing the state of the art, but it is not permissible for the purpose of anticipation which would invalidate the patent. In regard to these prior uses, your Honor, it is more a matter of luck than anything else that you run across them. You might have a prior use in the very next block to you and yet you would not hear about it. And, of course, you cannot make a search sufficiently to show everything in the world.

The COURT.—I understand that, but, of course, you have to try the case some time. The motion will be denied.

Mr. WHITE.—We note an exception, your Honor.

The COURT.—Yes, let it be noted. Proceed with the case.

OPENING STATEMENT FOR PLAINTIFF.

Mr. TOWNSEND.—This, your Honor, is a patent suit involving oil burners of what is known as the horizontal rotary type. There are three patents sued on, but I have recently learned that with respect to one patent embodying what we call the direction vanes for the air around the nozzle has not been utilized by the defendant since its entering upon the business of manufacturing oil burners. The defendant Bunting Iron Works succeeded, some three or four years ago, to the business of the American Standard Oil Burner Co., that, in turn, the American Standard Company, some years previously succeeded to the business of the American Heat & [38—3] Power Company. So that the deraignment of title upon the part of the defendant is the American Heat & Power Company and the Standard Burner Company, and to its present corporate form, the Bunting Iron Works. So it appears, and I have accepted the statement of counsel and of the officers of the defendant corporation, that since 1920, or 1919, whenever the Bunting Iron Works began the business of making burners, they have, in their corporate capacity, not manufactured patents according to what we call the

second Ray patent on the vanes. Our proofs are directed particularly to the work done by the predecessor, so that we will have to proceed in an independent action against the predecessor. So the suit comes down to this, to a suit on the first Ray patent, which is the burner proper; and the third Ray patent, which covers the oil distributing system by which the oil is received into the burner and delivered to the burner tip and the surplus oil returned to its original source of supply. The feature of this third patent, which for convenience we will hereafter refer to as the second Ray patent, the oil-distributing system is taking the oil in through one hinge to a pump mounted on the fan casing and being delivered thence to the burner, and the surplus oil that is not necessary for the burner being returned through the other hinge; in other words, a hinge oil-distributing pipe system.

I could illustrate just briefly what these are. I have some enlargements to assist in the Court's appreciation of the structure. The first so-called Ray patent is 1,193,819, issued August 8, 1916, application filed November 30, 1914. It embodies a burner made up of very thin fan casing with a very thin large diameter-fan in it, revolving at high speed by means of a motor. The air currents created by this fan of peculiar construction are directed to the periphery and then over a baffle wall or [39—4] partition which is marked "3" in the drawing, and this air current is then directed downwardly and then allowed to proceed through an air nozzle 7 around the burner cup which is marked "11," and

forms a long attenuated cone in the fire-box. The oil is delivered through a pipe externally and shown in the drawing, 14, into a cup of peculiar construction, and there this oil is distributed in a thin film progressively toward the front, and as it discharges over the lip the air picks up the finely-divided oil and carries it forward in that—I will call it columnar—although horizontal—type shape of the inflammable vapor; of course, suitable air for combustion is admitted, and when that is ignited it produces a long flame in a fire-box of desired shape.

The COURT.—These apparently are large burners for industrial uses, are they?

Mr. TOWNSEND.—They are for all sorts of uses, your Honor, from domestic use up to the largest industrial uses. I think they go up to 600 horsepower; that is, from a little family range, from a heater down in the basement, up to a large plant.

The defendant's, or its predecessors' catalogs illustrate the type of flame. The two burners are illustrated here. This one is the defendant's and this one is the plaintiff's. It is hard to recognize the children apart, they are practically identical. They are operated by a motor. The motor shaft is not only the fan shaft to carry the fan, but it also carries the distributing-cup; so that the fan and the cup revolve in unison, giving a swirling motion both to the air and to the oil. The high speed operation effects this desired result. The purpose of the narrow fan and the large diameter is well described in the patent. It will be further accentuated and brought out as may be necessary in the testimony.

The second patent on which we charge infringement is the [40—5] Ray patent 1,285,376, November 19, 1918, filed May 8, 1916. That has substantially the same type of fan construction; a slightly different character of distributing-cup, because in this patent the inventor lets the oil in through the shaft. He used a hollow motor-shaft. The oil is delivered into the cup. The cup is of like construction otherwise. In the first patent the oil coming in from the eccentric position had to be delivered into the cup and therefore had to come in eccentric to the motor shaft; therefore, the rear end of the cup was cut away and the cup supported by a spider within the cup intermediate its ends and connected directly to the shaft. The oil was distributed just back of the spider and was prevented running out from the rear end by an upwardly-turned flange, which is marked "13." In the second Ray patent, a slightly different construction is involved. This patent has to do with the admission of the oil. The fan casing and the burner being entirely hinged on what we call a furnace plate, with a conical projection fitting into the front of the furnace. The hinges on which the plate, and fan, and burner were connected were made hollow. The oil comes in through one hinge, is picked up by a pump, and, if the burner is running and the valve to operate the oil is on, most of the oil goes right through to the burner; but if the flame is turned down more or less, or is turned off, and without stopping the pump, the surplus oil returns to its source of supply through the other hinge.

So we have there the double hinge of the burner, each with its oil conduits, one to take in the oil and the other to return the surplus. That is a feature which we find to be quite new in the art.

The defendant has practically duplicated the plaintiff's [41—6] construction in every essential particular. He has the motor for the fan, the narrow blade, the high velocity, the shape of the cup, as we can readily discern from its internal mechanism, with the spider in the rear flange, the hinge plate which goes into the furnace front—even the peculiar-looking means which in themselves might be varied in a great many ways, but the simplest way was to copy the plaintiff's method. Also the method of taking the oil from an outside source upwardly through one hinge, then to a double tee; there is what we call a double tee. Your Honor knows what a tee connection is in pipe fitting. This is a double tee, with one part leading to the pump and valve to regulate the supply, and a return through the other portion of the tee to the burner, and the excess oil back to the source of supply.

We have there those two outstanding features, the burner construction as an entity, and an oil conduit—the oil supply as a separate part of the combination. The two patents sued on cover those essential features.

Now, in order to have your Honor get a comprehensive view of the situation and know just what the plaintiff did, we may refer briefly to the types of burners that were in use before. There are, today, we will say, the old type of straight-shot burn-

ers, like a long piece of pipe with a slot or an orifice, the oil being admitted at one end and then by means of a high pressure, or a low pressure, current of air or steam blowing the oil into the furnace, like water from a nozzle, spraying it, and then being ignited. That is what we will call, for short, the straight-shot type.

Then there was another called the vapor burner, in which the oil was admitted into some sort of a superheater chamber, and then burned as a gas. That is the general vapor type of burners. [42—7] Then there was, prior to the plaintiff's coming into the field, a type of burner that had been developed by a San Franciscan named Fesler; it became known as the Fess type of burner, put out by the Fess System Company, Inc., formed by Mr. Fesler. It was what we call a vertical rotary type of burner. They had a system of gearing, and they had a vertical cup that went into a specially-prepared fire-box right directly underneath the boiler or the part to be heated. That cup was made to revolve by external means—gearing. And, by the way, that device had to go right into the fire-box, whereas the plaintiff's and the defendant's are external to the fire-box, and not at all subject to the heat of the fire. That vertical rotary type has the vertical outfit right in the fire-box, run by a system of gearing. There were some air vanes, as a rule, attached to this cup, and as that was driven it would create some air suction and blow the thing out in saucer fashion; it created a saucer flame. Working in a horizontal position, you want to get as much flame spread out

over as large an area as possible. That is what was known as the vertical type rotary.

After the Fess system had become established, and likewise before we had taken up our work, the defendant came along with a burner which they characterize as the Simplex burner, practically the same form as the Fess. It was a vertical type. It had a vertical cup, and it spread the air, that is, it spread the flame and the vapor out in saucer-shape fashion over a considerable area. About 1914 they found they could get the same results that were gotten from the other vertical type burner by leaving off what was called a cap that was on the burner. This was an intermediate type. And, by the way, we will refer to two types of burners, no doubt, the defendant's burner as the Simplex Burner, because that is the name that it has been known [43—8] under through the different years, and the plaintiff's burner as the Ray Burner. The intermediate type of burner was some ten or twelve years ago, and was called the Simplex water burner. The oil was let in and dropped down upon a plate, and was there ignited and spread just like burning oil in a pan or on a flat surface. That is illustrative of the state of the art.

There was an intermediate development by the defendant's predecessor. They had a little cup or a cap over their vertical cup which was covered with refractory material and was supposed to protect the interior of the burner. Then they did away with that and had an open cup, with the cup open to the top but flared in such a way that it gave this saucer-

shaped flame. This is an illustration taken directly from their own catalog. So we had here the vertical burner with the cap removed, and with an open cup. Those burners had short vogue; they were a source of serious inconvenience and annoyance, and of limited use. It was by observing the use of all these various types of burner, the vertical type, that led Mr. Ray, some ten or twelve years ago, to develop his burner, and on which the patents were eventually issued. It was following Mr. Ray by some two years, so far as we know, that the defendant came out in the latter part of 1915, just about as the Exposition was to close, with a burner very closely following the Ray burner. But they had meanwhile secured a patent upon this open cup burner, known as the King patent. That King patent is the patent that is set up in the counterclaim.

The defendants will claim, we understand, that all that Mr. Ray has done was to take the King patent and turn it through 90 degrees so that its axis became horizontal. If we should turn this through 90 degrees we still get a saucer-shaped flame, only we get it in the vertical plane. It is quite obvious that the [44—9] two things are not comparable. I simply call attention to that because I understand that that is the burden of their charge of infringement.

Now, as to the personal relations between the parties: They are both California corporations, they are both local concerns. They have grown up like children who have played in each other's back yard. They knew what each other was doing. The defend-

ant had its factory over in Berkeley, and its predecessors had it there; the plaintiff has its factory out here in San Francisco, in what is called the Mission District. As early as December, 1920, almost immediately after the issuance of the King patent, and when the defendant's predecessor was under different management, or partly under the same management now as it was then but the personnel having changed in some respects, a suit was brought against Ray for manufacturing the Ray burner that we have here, on the King patent. All that ever came of that was that we joined issue, and in 1919, I believe—either late in 1918, or in 1919, and after the suit had been put on the calendar and then dropped from the calendar, it was dismissed, under rule 57, for lack of prosecution.

We contend that the counterclaim is a belated backfire that defendant has started, and that it is barred by laches. Of course, legally, as the dismissal was without prejudice, they had the right to begin the suit again, but we contend there has been such laches as to bar any equities in their favor.

Now, I think, your Honor, with that brief statement, unless you would like to know what claims we are going to stand on, I will close, and I am ready to begin the presentation of our case.

I might say that in respect to patent 1,193,819, the first [45—10] Ray patent, we shall rely on claims 7, 8 and 12; and on claims 3, 4, 9, 10 and 11. I put them in that order, your Honor, because they represent two groups of claims. Claims 7, 8 and 12 represent one group; claims 3, 4, 9, 10 and 11 represent

another group. The first group, I should say, relates to general burner construction, the fan with a large diameter, and with its peculiarities of operation. The second group of claims relate particularly to the form of the cup, with the open rear end, and the spider between the ends to support the cup on the shaft, and the feed of the oil eccentric to the shaft. Those particulars are common both to the Ray patent sued on and to the defendant's structure.

As to patent 1,285,376, we charge infringement of claims 1 to 6 and of claims 12, 14, 15, 16, 17, 18, 19, and 20. In a brief analysis I have made of these claims, I have analysed claims 12 to 20 first because they cover a general outline, and in claims 1 to 6 their application would be apparent.

Mr. WHITE.—As I understand it, then, Mr. Townsend, as to that patent 1,285,376, you charge infringement of claims 1 to 6 and of claims 12, 14, 15, 16, 17, 18, 19 and 20. Is that it?

Mr. TOWNSEND.—Yes, 1 to 6, and you might say 12 to 20. I will hand your Honor a copy of that analysis. That closes our opening. Shall I proceed?

The COURT.—Yes, unless the defense desires to make an opening statement.

Mr. WHITE.—I will reserve my statement until the close of the plaintiff's case, with your Honor's permission. I understand, then, that the charge of infringement is withdrawn as to the second Ray patent which is No. 1,184,659, and that an order dismissing the bill of complaint as to that patent may be made.

Mr. TOWNSEND.—As against this defendant, yes. [46—11]

Mr. WHITE.—Then I ask, your Honor, that that order be made.

The COURT.—The order is made accordingly.

Mr. TOWNSEND.—It is agreeable, I believe, to counsel that we may stipulate that the title to the patents of plaintiff in suit are in the plaintiff, as alleged in the bill of complaint; that the title to the patent of the defendant set up in the counterclaim is in the defendant, as alleged in the cross-complaint.

Also, that the devices here before the Court and which will be offered in a moment truly represent structures manufactured respectively by the plaintiff and the defendant prior to the filing of the bill, and within 60 days prior to the beginning of the suit.

Mr. WHITE.—No, Mr. Townsend. I am willing to admit and to stipulate on behalf of the defendant that within the time specified this device here, which is of the defendant's manufacture, was so manufactured and sold by the defendant. As to this other device, here, in regard to the plaintiff ever making it or selling it other than for the purposes of this case, I do not stipulate.

I ask counsel, with respect to plaintiff's alleged infringing acts, to stipulate and to admit that within six years prior to the filing of the cross-complaint and prior to the filing of the bill of complaint in this case, the plaintiff manufactured and sold here in California oil burner devices as disclosed, illustrated and described in this catalog of the plaintiff com-

pany, which at this time I will have identified by having it marked Defendant's Exhibit "A."

It is also admitted that the respective corporate parties are corporations as alleged in the pleadings.

Mr. TOWNSEND.—We admit that this is the plaintiff's catalog [47—12] entitled "Ray Rotary Fuel Oil Burners," and marked as defendant's Exhibit "A."

Mr. WHITE.—And will you stipulate as to the manufacture and sale of the device as stated in my request for stipulation?

Mr. TOWNSEND.—That is true. And the burner of the defendant which we just referred to, and which counsel for defendant admits corresponds to what the defendant did give out, we will ask to have marked Plaintiff's Exhibit 1.

There is also a stipulation—I don't know whether it is of record, or not, in regard to the use of uncertified or unprinted copies of patents in lieu of originals.

Mr. WHITE.—And, furthermore, that the respective filing dates appearing on the letters patent offered in evidence may be deemed as proof of such dates of filing.

Mr. TOWNSEND.—That is the substance of the stipulation.

I offer, as Plaintiff's Exhibit 2, the Ray patent sued on, 1,193,819, August 8, 1916, application filed November 30, 1914.

I offer, as Plaintiff's Exhibit 3 the second Ray patent, No. 1,285,376, November 19, 1918, filed May 8, 1916.

Mr. WHITE.—I may state, your Honor, I have here bound together all the patents which I intend putting in evidence, and also including the Ray patents, so if your Honor desires to have this volume for ready reference I will leave it with you.

The COURT.—Perhaps later on you may. You may need it yourself during the trial. There is no need of putting it in evidence, but it may be submitted then for the convenience of the court.

Mr. TOWNSEND.—In connection with these patents, I offer a certified copy of the file-wrapper and contents of the first Ray patent, 1,193,819, and ask that the same be marked Plaintiff's Exhibit 4.

I similarly offer, as Plaintiff's Exhibit 5, a certified [48—13] copy of the file-wrapper and contents of the second Ray patent in suit, 1,285,376.

I desire to offer also a certified copy of the file wrapper and contents of the King patent, 1,158,058, October 26, 1915, as Plaintiff's Exhibit 6.

Is it agreed, Mr. White, that the plaintiff gave notice or marked its product with the date of the patent in suit prior to the bringing of the suit?

Mr. WHITE.—It is not agreed he gave any notice other than the notice which would be given by marking the device as patented.

Mr. TOWNSEND.—That is sufficient under the statute.

The COURT.—What is that—I didn't catch that?

Mr. WHITE.—I say we do not admit they ever gave any notice to us of any alleged infringement, other than the notice which might be implied by

the notice marked on their device that the same was patented.

Mr. TOWNSEND.—You admit that, Mr. White?

Mr. WHITE.—I will admit that.

Mr. TOWNSEND.—I think we will have to offer evidence on the question of notice otherwise.

TESTIMONY OF WILLIAM R. RAY, FOR PLAINTIFF.

WILLIAM R. RAY, called for the plaintiff, sworn.

Mr. TOWNSEND.—Q. Mr. Ray, you are one of the plaintiffs in this suit? A. Yes.

Q. Did you ever give notice to the defendant or to its predecessor in interest with respect to the infringement of any of the patents in suit, and if so what were the circumstances?

Mr. WHITE.—That is objected to as leading, and calling for the conclusion of the witness. [49—14]

The COURT.—Yes, but it is merely preliminary. He may answer.

A. As far as my memory serves me, we sent them a letter notifying them they were infringing, and aside from that my brother and I personally delivered a copy of the two patents, that is, No. 1 and No. 3, to Mr. Scott, in the First National Bank Building, in 1918.

Q. Who is Mr. Scott?

The COURT.—A copy of what?

A. A copy of the first and third Ray patents.

Mr. TOWNSEND.—Q. Who is Mr. Scott?

(Testimony of William R. Ray.)

A. I know he is associated with the defendant. I don't know in what position, I presume president or secretary, something of that character.

Q. When you say to the defendant, just explain that a little more; what company was it that you had the dealings with?

A. I ain't sure whether it was the Bunting Iron Works, or the American Standard Burner Company, I don't know which one.

Q. When was that verbal notice given, do you remember? A. 1918.

Q. When was the written notice given?

A. That was some time during 1916.

Q. Have you copies of the letters that you wrote them on the subject?

A. So far, we have been unable to find the letter that we wrote, the first letter.

Mr. TOWNSEND.—We will call upon the defendant to produce the notice referred to by the witness.

Mr. WHITE.—We have no such notice.

Mr. TOWNSEND.—It is admitted, Mr. White, that Mr. George A. Scott is the gentleman referred to by the witness, and he has long been associated with both the Bunting Iron Works, and with its predecessors, as an officer.

Mr. WHITE.—Yes, that is admitted.

The COURT.—What is admitted? [50—15]

Mr. WHITE.—It is admitted that the Mr. Scott referred to by the witness was connected with the American Standard Oil Burner Company, and also

(Testimony of William R. Ray.)

now is connected with the Bunting Iron Works, the defendant, which is a separate and distinct corporation.

Mr. TOWNSEND.—That is all.

Cross-examination.

Mr. WHITE.—Q. Did the American Standard Oil Burner Company at one time file a suit against your company, the W. R. Ray Manufacturing Company, for the infringement of the Ray patent?

Mr. TOWNSEND.—That is hardly cross-examination.

Mr. WHITE.—I simply want to bring out, if your Honor please, that that suit was filed, that an answer was filed in that suit after the issuance of this first patent, and that no charge of infringement was set up in the answer by way of cross-complaint; in other words, that no notice of infringement was given at that time.

Mr. TOWNSEND.—We will stipulate that—

The COURT.—It is not proper cross-examination. The objection is sustained. There is another way to prove it if it is material to your case.

Mr. WHITE.—That is all.

TESTIMONY OF R. S. WHALEY, FOR PLAINTIFF.

R. S. WHALEY, called for the plaintiff, sworn.

Mr. TOWNSEND.—Q. Will you please state your name, age, residence and occupation?

A. My name is R. S. Whaley; I am 37 years old;

(Testimony of R. S. Whaley.)

I live at 2934-36th Avenue south, Seattle, Washington, I am a mechanical engineer by profession. I was educated in the University of Washington, graduated in 1910, and have been practicing the profession of mechanical engineer continuously for [51-16] the last fourteen years.

Q. What is your present business?

A. At the present time I am vice-president and general manager of the Power Plant Engineering Company, a concern dealing in oil burners, power plants in general.

Q. Have you had any business relations with the plaintiff?

A. The Power Plant Engineering Company represents the Ray Manufacturing Company in the territory of Washington, Idaho, and Alaska, for the installation of Ray Oil Burners.

Q. Are you familiar with the rotary oil burner of the plaintiff? A. I am.

Q. Have you examined the same? A. I have.

Q. Have you examined the defendant's structure which is here in evidence as Plaintiff's Exhibit 1?

A. I have.

Mr. TOWNSEND.—Subject to further proof, I offer plaintiff's burner which is here before the Court as Plaintiff's Exhibit 7.

Mr. WHITE.—That is objected to, if by the offer in evidence of this device counsel wishes to indicate that this device is a commercial device made by the plaintiff corporation, which I understand from an inspection is not one of their regular

(Testimony of R. S. Whaley.)

commercial devices, not in accordance with the first patent in suit.

Mr. TOWNSEND.—As I understand, it is a stock burner, but I will offer this merely for identification.

The COURT.—Very well.

Mr. TOWNSEND.—Q. Have you examined the burners of both defendant and plaintiff represented by the exhibits which are here in evidence?

A. I have.

Q. Do you understand the construction?

A. I do.

Q. Will you, for the guidance of the Court, please briefly describe the construction of the Ray burner as you know it, and the defendant's burner as you know it, as represented by Plaintiff's Exhibit 1, using such drawings as you desire, and state [52—17] what you know, if anything, about such drawings.

A. I have before me here a cross-sectional drawing of a horizontal rotary oil burner. It comprises a motor for the driving, a fan of large diameter, and narrow blade area in a housing; also on the same shaft—

Q. (Intg.) Pardon me; as you go along I think the Court would be guided by your giving the reference characters and stating what that drawing is.

A. I have in my hand a reproduction of a drawing which is entitled "W. R. Ray Oil Burner," appearing in the left-hand corner, 1,285,376, patented November 19, 1918, in the right-hand corner. "In-

(Testimony of R. S. Whaley.)

ventor, William R. Ray, by Strong & Townsend, Attorneys," and two witnesses. This is entitled as Fig. 1. It is a longitudinal cross-sectional drawing of a rotary horizontal oil burner comprising a motor designated by No. 11; this motor drives the shaft, which, in turn, drives the fan, an atomizing cup—the shaft is designated as No. 12, the fan is designated as No. 19, the atomizing cup as No. 14; the housing for the fan is No. 7. In operation, this shaft is rotated at high speed by the motor, 11, which drives the fan of large diameter and small blade area, No. 19, driving the air out through its circumference and over a stationary baffle, No. 20; the air passes over this baffle and down through an opening between the baffle and the housing designated as No. 16; the air passes on through an extension of the housing or a nozzle at that point designated as No. 16, and flows out around the outside of the atomizing cup 14, in a restricted area annular with the cup, and the cup being concentric to this flow of air. The purpose of the fan of large diameter and small cross sectional blade area is to deliver a maximum power and high pressure low volume air, the purpose of this air being to be discharged at high pressure around the periphery of the atomizing cup 14 and pick up the oil that [53—18] is thrown off by the atomizing cup in this current of high pressure, high velocity air. The atomization is accomplished by the impinging of this air against the film of oil thrown off by the cup 14.

(Testimony of R. S. Whaley.)

The COURT.—Where does that oil pipe come from?

A. The oil pipe in this case delivers to the center of the shaft and pours out on the inside of the cup; the oil flows down with centrifugal force to the cup, and it is thrown off at the periphery of the cup in a thin film, and the air flowing through opening 16 at the outside of the cup catches it and atomizes it.

The COURT.—I think you had better give that an exhibit number.

Mr. TOWNSEND.—That is an enlargement of the second patent in suit, and that we will ask to be marked.

The WITNESS.—I have in my hand a reproduction of a drawing marked—

The COURT.—What is this, another cross-section?

Mr. TOWNSEND.—That is a second enlargement of another figure of the same patent. I will ask that that be marked Plaintiff's Exhibit 9.

A. This is an exterior view of the outside of the horizontal rotary fuel oil burner showing in particular the hinge device and the method of bringing the oil into the burner and discharging the excess oil back to the source of supply.

Q. You mean the Ray burner?

A. The Ray burner. The pipe No. 27 is the pipe that leads from the source of supply to the hinge No. 26. From 26 the oil flows through pipe No. 25 and into the pump No. 23; from the pump it flows through pipe 32 for a ways, and if it goes into the

(Testimony of R. S. Whaley.)

burner it is diverted and goes into valve No. 22. The oil that is not burned continues through pipe No. 32 and thence through pipe No. 24, through the hinge [54—19] lugs 5 and 9 back into the double tee or hinge 26, and thence through pipe No. 33 back to the source of supply.

Q. Why do you call this hinge—are these movable joints?

A. This pipe 25 and 24 are the pins for a hinge; this is one lug of the hinge, and this is the other lower lug, and the burner swings right out on these pipes, making a stationary means of bringing the oil in and still allowing the burner to be swung out from the firing position.

Q. That is, the pipe is not hinged; these are hinged on the pipe?

A. The pipe acts as a hinge.

I have before me here on a stand an oil burner device marked "Ray oil burner system, series No. 15,428."

The COURT.—Exhibit 7?

A. Exhibit 7 for identification. This is the machine, a cross-section of which I described previously, and the motor is here; the shaft runs from the motor through this housing here, and ends in the atomizing cup here; this atomizing cup turns with the motor; on the inside of that atomizing cup you will see a small pipe; that small pipe does not turn, but pours the oil out on the inside of the cup. On the same shaft with the motor and atomizing cup there is mounted in this housing a fan of large

(Testimony of R. S. Whaley.)

diameter and relatively small cross sectional blade area. These are the blades, here, riveted between two plates.

Mr. TOWNSEND.—The witness refers to a separate element of a fan, which I will ask to be marked Plaintiff's Exhibit 10.

The COURT.—Very well.

A. This fan is mounted on the shaft in this manner, and is rotated by the motor, discharging air out through this small space, here, at high velocity, at high pressure, a small amount of air.

I have in my hand a dissembled part of the front housing to [55—20] the fan. The shaft comes through here to that fan mounted directly upon this thin diaphragm. The fan blows the air out against the periphery of the housing, here, and it must turn and come down between this diaphragm and the front part of the housing.

Mr. TOWNSEND.—I ask that the housing the witness has referred to be marked Plaintiff's Exhibit 11, and the cover be marked Plaintiff's Exhibit 12.

A. (Continuing.) The air then is discharged through here and out through this opening, here, on the front part of the burner. This nozzle is fastened to the front part of this housing by two screws and makes an air-tight joint there between the housing and the nozzle; by removing this nozzle from the front of the housing you can better see the place where the air comes out and surrounds the atomizing cup; the air flowing through this

(Testimony of R. S. Whaley.)

nozzle of restricted area here is forced out around the outside of the cup under rather high pressure. The nozzle is shown on the cross-section in evidence here as No. 17, patent No. 1,285,376, Exhibit 8. The cup throws the oil off normal to its axis of rotation in this way, and the air cutting across that film of oil as it leaves the periphery of the cup is the agent for the atomizing of the oil and the mixing of the air with it for combustion; that is part of the air for combustion, but primarily for the atomization of the oil. I might say here for the Court's information that oil to be burned properly and efficiently must be broken up into very fine vapor and mixed with the proper amount of air to burn. The purpose of this whole device is to accomplish that result, the breaking up of the oil into very fine vapor and mixing with the oil air for combustion.

Q. Continue with your description now of the defendant's device [56—21] if you will, comparing it, if you desire, with the device you have described?

A. I have before me here a drawing entitled "Simplex oil burner." This drawing is a longitudinal cross-section of a rotary horizontal oil burner having a motor and a shaft, the end of the shaft terminating in an atomizing cup mounted on the shaft, a fan of relatively large diameter and small blade area.

Mr. TOWNSEND.—I will ask that that drawing be marked Plaintiff's Exhibit 13.

(Testimony of R. S. Whaley.)

Q. If you will, just state what that drawing is made from, and what you had to do with it.

A. This drawing that I have now marked Plaintiff's Exhibit 13 was made partially under my direction from the machine shown here marked Plaintiff's Exhibit 1.

The COURT.—Is that the defendant's burner?

A. That is the defendant's burner. To continue the description, the fan is of large diameter, and relatively small blade area, discharging its air over a thin diaphragm through a housing, emitting into a nozzle 14—the thin diaphragm being marked 3, the fan being marked 5, the air passage behind the diaphragm being designated as air and being marked 4; the nozzle surrounding the atomizing cup being marked 7, and the air passage through the nozzle being marked 14; the oil is delivered into the cup, where it is driven off radially in a direction normal to the axis of rotation and picked up by a blast of the high pressure air at the periphery of the cup, and the oil is converted into a fine vapor and projected into the furnace.

I have before me here a machine marked Plaintiff's Exhibit 1, which I recognize as an oil burner of the horizontal rotary type of the design known in the trade as the Simplex design. This is the motor, which in the sketch of Plaintiff's Exhibit 13 [57—22] is marked 11; this is the shaft marked 9 in Plaintiff's Exhibit 13; this is the fan housing, in which there is a fan of relatively large diameter and small plate area for discharging air over a

(Testimony of R. S. Whaley.)

diaphragm forward of the fan and behind which the air passes out into the nozzle, which is here marked in Plaintiff's Exhibit 7, and then passing around the outside of the atomizing cup marked in Plaintiff's Exhibit No. 11 to where it picks the oil up and discharges it into the furnace. The action of the air and oil in both Plaintiff's Exhibit 1 and Plaintiff's Exhibit 7 are identical; the atomization of the oil is accomplished the same way, exactly.

Q. As to the means for accomplishing that atomizing, what have you to say?

A. The means for accomplishing atomizing in Plaintiff's Exhibit 1 and in Plaintiff's Exhibit 7 are identical in every way.

The COURT.—Is it disputed by the defense that they are identical?

Mr. TOWNSEND.—I do not know. I do not know whether they make any serious contention that they are not infringements.

The COURT.—If they do not not, there is no use taking up time on it.

Mr. WHITE.—I think they are emphasizing the action of the air in atomizing the oil as compared with the action of the centrifugal cup in atomizing the oil. Of course, they are combined together in doing that.

The WITNESS.—I have before me a drawing—

Mr. TOWNSEND.—We will ask that it be marked Plaintiff's Exhibit 14.

A. —marked Plaintiff's Exhibit 14, which represents an exterior view of a machine designated

(Testimony of R. S. Whaley.)

Plaintiff's Exhibit 1. This drawing was made partially under my supervision, and is a true representation [58—23] of an exterior view of this machine, showing the hinging device in particular. In this device, the oil from the source of supply is brought through pipe 27, thence into the hinge marked 26, down through the pipe No. 25, into the pump, No. 23, out through the pipe No. 32, and if the oil is to be burned, then it is diverted to valve No. 22, if not burned it is not sent back to the source of supply through pipe No. 24, through hinge lugs 5 and 9, and out through the hinge 26, and back to the source of supply.

The COURT.—Is there a hinge at 26?

A. Yes, it is the same hinge giving the double tee.

Q. You mean a union?

A. It is a double tee where the oil comes in here, but there is a division between the two; they are not connected here. On the outside it does not appear. It is identical with the hinge in action and design on plaintiff's Exhibit 7.

Mr. TOWNSEND.—Q. Just explain the use of the red characters on the drawings, Plaintiff's Exhibits 13 and 14, which illustrate the different devices.

A. The numbers used on Plaintiff's Exhibit 13 and Plaintiff's Exhibit 14 are in different colors. The black are used to describe patent No. 1,193,819, and the red are used to describe patent No. 1,285,376.

(Testimony of R. S. Whaley.)

Q. There is one other enlargement that might be marked, of the first patent the witness has just referred to 1,193,819, as Plaintiff's Exhibit 15. Does that complete your description? A. Yes.

Q. What is that?

A. It is an enlargement of the original patent sketch of the first patent of Ray.

Mr. TOWNSEND.—That is all.

Cross-examination.

Mr. WHITE.—Q. In one of these centrifugal burners of [59—24] this type it is necessary, is it not, to have some type of oil distributing cup plus means of rotating that cup, plus means for creating a current of air to be discharged about the periphery of that cup and some means for feeding the oil to the cup?

Mr. TOWNSEND.—That is objected to as a hypothetical question, not cross-examination. This witness was merely called to describe these two specific devices before the Court.

The COURT.—Objection sustained.

Mr. WHITE.—Q. In each of these devices which you have described do you find a rotating oil cup, plus means for rotating that cup, plus means for creating a current of air for discharge about the periphery of that cup, plus means for getting oil into the cup?

A. In the two machines that I have described that is correct.

Q. All these features are essential in each of

(Testimony of R. S. Whaley.)

those machines in order to make it a centrifugal oil burner of this type?

Mr. TOWNSEND.—I object to that as not cross-examination.

The COURT.—The objection is sustained.

Mr. WHITE.—Q. In the defendant's device, do you find an oil cup the same in design as the oil cup in plaintiff's device that you have described, and if not what is the difference between the two oil cups?

A. The oil cup in plaintiff's Exhibit 7 differs in that the oil is brought into the cup centrally in the back end of the cup; in the plaintiff's Exhibit 1 the oil is introduced off center into a flange in the rear side of the cup.

Q. In other words, in the plaintiff's device you have the oil cup joined to the end of the hollow shaft, through which hollow shaft extends a stationary oil pipe for feeding oil into the cup: Is that correct? A. That is correct. [60—25]

Q. In the defendant's device you find an oil cup having a central partition with a rearwardly projecting flange, and the partition being joined to the end of the shaft, and there being a stationary oil pipe for delivering the oil into that rearwardly projecting flange and from there going into the front chamber for discharge? A. That is correct.

Q. In the defendant's device the shaft is solid: There is no oil passed through the shaft: Is that correct? A. That is correct.

Q. You have said that the mode of operation of the two devices is identical in respect to atomiza-

(Testimony of R. S. Whaley.)

tion of the oil; that is true, notwithstanding that in plaintiff's device you have one specific type of oil cup and one specific type of feeding oil to that cup, and in the defendant's device you have another species of oil cup and another species of delivering oil to that cup: Is that correct?

A. The delivery of the oil to the cup has nothing to do with the atomization of the oil.

The COURT.—Answer the question. Read the question.

(Last question repeated by the reporter.)

A. That is true; the method of atomizing the oil is the same in each.

Q. Is the action of the fan in the plaintiff's device any different by reason of being associated therein with a particular species of oil cup and a particular species of means for getting oil into that cup in respect to the fan action of the defendant's device, which is combined with a different species of oil cup and a different species of oil feed to the cup? A. No.

Q. In other words, in these two devices, notwithstanding the differences in respect to the two oil cups and the two means for feeding oil into those cups, the fans operate in the same [61—26] way in accordance with their own law or mode of operation: Is that correct? A. That is correct.

Q. Is that true in regard to the electrical motors in these two devices, that is, they operate precisely in the same way, notwithstanding the fact that in the plaintiff's device one motor is associated with

(Testimony of R. S. Whaley.)

this particular species of cup and oil feed, and in the defendant's device the motor is associated with another species of oil cup, and another species of oil feed? Is that correct?

A. The mode of operation is the same, yes.

Q. You have spoken about the fans in these devices being of large diameter and having blades relatively narrow. What factors govern the construction of a fan of that type?

Mr. TOWNSEND.—I do not think that is proper cross-examination; it calls for a conclusion.

The COURT.—I think so.

Mr. WHITE.—Your Honor, he has described not only these devices but their respective modes of operation, and I desire to know in the operation of the device what this large diameter of fan has to do with any function performed in connection with the other parts of the device. All I want to know is, is it necessary to have a fan of large diameter in order to deliver a small current of air?

The COURT.—I think he may answer. Read the question.

Mr. WHITE.—I will withdraw the question and ask a similar one.

Q. The design of this fan in connection with its large diameter and relatively narrow blades is governed by the desire to create a small volume of air at considerable pressure: Is that correct?

A. It is.

Q. In other words, if you wish to deliver a small volume of air at considerable pressure you would

(Testimony of R. S. Whaley.)

design a fan as you find it [62—27] here in this device: Is that correct? A. That is correct.

Q. You have referred to the first Ray patent in evidence, and an enlarged drawing of Fig. 1 thereof, having been put in evidence as Plaintiff's Exhibit 15. Did you ever see a Ray Manufacturing Company commercial machine embodying an oil cup such as that shown in this drawing, and having this rearwardly projecting flange with a stationary pipe feeding oil into the flanged end in back of that vertical partition? A. Yes.

Mr. TOWNSEND.—I object to that.

The COURT.—It is preliminary. He may answer.

A. Yes.

Mr. WHITE.—When?

A. I believe the first time I saw one of that kind was about a year ago.

Q. Have you ever sold that type? A. No.

Q. Have you ever handled it at all? A. No.

Q. Where did you see such a burner?

A. At the Ray factory.

Q. Was it one of their commercial machines being put on sale by them, or simply a model machine built for some purpose other than sale?

Mr. TOWNSEND.—I do not believe the witness is qualified to answer that.

The COURT.—I doubt if he would be. It would be hearsay, and I doubt if it is proper cross-examination; it goes beyond what he has been interrogated in reference to. If those are material facts to your

case you will have abundant opportunity to otherwise prove them. Any further cross-examination?

Mr. WHITE.—That is all.

Mr. TOWNSEND.—Plaintiff rests.

The COURT.—You may proceed with the defense. [63—28]

OPENING STATEMENT FOR DEFENDANT.

Mr. WHITE.—If your Honor please, the defenses relied on are want of invention, anticipation, prior invention, and use, and in order that your Honor may understand the testimony as it comes in and the position that we take in this case, I will briefly outline our theory of the defense.

In the examination of this witness I brought out, I think, the fact that an oil burner of this type must necessarily embody some kind of an oil cup, some kind of means for rotating that cup, some kind of means for getting oil into that cup, and some kind of means for creating a current of air for discharge about the periphery of the cup. In the plaintiff's device, as just testified to by this witness, we find one species of oil cup in combination with a species of fan, a species of motor means, and a species of oil feed of the cup. In the defendant's device we find a different species of oil cup, a different species of oil feed to that cup, but the same species of fan and the same species of motor, means for rotating the fan and the cup.

As just indicated by the witness, the design of this fan, that is one having a large diameter plus narrow blades, is due to the fact that a small volume

of air is desired to be delivered under considerable pressure. We will show that such a design of fan was old in the art, and whenever anyone in the art for years last past wanted a fan which would deliver a small volume of air at high pressure he would design it with long blades, having a larger diameter compared with the width of the blades. As shown by this witness, the operation of the burner as a whole is not affected by substituting in the combination one species of oil cup for another, one species of oil delivery for another, so that we take the position that [64—29] in this burner of the patent in suit there is merely an aggregation of elements. We will show in the prior art the same species of burner employed by the plaintiff, we will show in the prior art the same type of fan, and the same type of motor, and all that the plaintiff did was to go through the prior art devices, select from one what he thought a desirable type of oil cup, from another what he considered a desirable type of oil feed, and from another a desirable type of fan, and from another a desirable type of motor, and he aggregated these different necessary pieces in making up his complete device. But such a selection of instrumentalities from prior devices and gathering them together in one device, where they perform the same old function in the same old way does not amount to invention; it is mere aggregation.

On that point I wish to refer to just one case decided by the Circuit Court of Appeals for the Sixth

Circuit; we all have great respect for that Court, because its patent decisions have always appealed to most patent attorneys in the country. In the case of Huebner Toledo Breweries Co. vs. Mathews Gravity Carrier Co., 253 Fed. 447, Circuit Judge Warrington said:

“It is said that appellee’s carrier is not anticipated by any single patent; but it is not necessary to show complete anticipation in a single patent. The selection and putting together of the most desirable parts of different machines in the same or kindred art, making a new machine, but in which each part operates in the same way as it operated before and effects the same result, cannot be invention; such combinations are, in the nature of things, the evolutions of the mechanic’s aptitude rather than the creations of the inventor’s faculty.” Citing numerous cases. [65—30]

That is the keynote of one of our defenses, to wit, want of invention.

We will also prove that this specific type of burner used by us and evidently not used by the plaintiff in its commercial machine was invented by a man associated with our predecessor in interest in the year 1911, and we will produce the original burner having the rearwardly projected flange, such as we used made in 1911 by Mr. King and Mr. Becker, in Oakland. We also have a drawing of that device, which we will offer in evidence, and that structure will completely anticipate the particular type of burner which is shown in

the plaintiff's first patent, but which is not embodied in the plaintiff's commercial structure, so far as I know, and as indicated by the witness on the stand.

We also have this defense of estoppel; in other words, years ago this suit was brought by the predecessor in interest of the defendant against the plaintiff concern for the infringement of this King patent; they filed an answer after the issuance of the first Ray patent, but did not set up any cross-complaint charging any infringement of that first Ray patent by the device then being made by our predecessor in interest, which was, practically speaking, the same as we are making now.

We also have this cross-complaint charging infringement of this King patent.

I desire to offer in evidence the following United States letters patent. In that connection, I have had all of these patents bound together for the Court's use, if the Court desires to use them. I also include in the bound volume the Ray patent in suit.

The COURT.—Which one are you offering specifically? [66—31]

Mr. WHITE.—I will offer these patents, and will offer them in the order in which they appear in that bound volume:

Defendant offers in evidence the following United States letters patent, and asks that they be marked as follows:

Cook patent No. 73,506, January 21, 1868, and ask that it be marked Defendant's Exhibit "B."

De Landsee patent March 1, 1870, No. 100,268, as Defendant's Exhibit "C."

Kinney patent No. 315,145, April 7, 1885, as Defendant's Exhibit "D."

Collins patent No. 426,713, April 29, 1890, as Defendant's Exhibit "E."

Klein patent No. 473,759, April 26, 1892, as Defendant's Exhibit "F."

Leyson patent No. 530,539, December 11, 1894, as Defendant's Exhibit "G."

Eddy patent No. 540,650, June 11, 1895, as Defendant's Exhibit "H."

Eddy patent No. 540,651, June 11, 1895, as Defendant's Exhibit "I."

Mack patent No. 548,647, October 29, 1895, as Defendant's Exhibit "J."

Hammam patent 563,483, July 7, 1896, as Defendant's Exhibit "K."

Thom patent No. 668,236, February 19, 1901, as Defendant's Exhibit "L."

Anderson patent No. 719,716, February 3, 1903, as Defendant's Exhibit "M."

Gibbs patent No. 752,900, February 23, 1904, as Defendant's Exhibit "N."

Gordejeff patent 764,718, July 12, 1904, as Defendant's [67—32] Exhibit "O."

Hammam patent No. 799,560, September 12, 1905, as Defendant's Exhibit "P."

Johnson patent 1,009,525, November 21, 1911, as Defendant's Exhibit "Q."

Britten patent 1,022,122, April 2, 1912, as Defendant's Exhibit "R."

Fesler patent 1,026,663, May 21, 1912, as Defendant's Exhibit "S."

Gordin patent No. 1,085,334, January 27, 1914, as Defendant's Exhibit "T."

Becker patent 1,095,447, May 5, 1914, as Defendant's Exhibit "U."

Becker patent No. 1,101,779, June 30, 1914, as Defendant's Exhibit "V."

Britten patent No. 1,102,387, July 7, 1914, as Defendant's Exhibit "W."

Fesler patent No. 1,113,108, October 6, 1914, as Defendant's Exhibit "X."

Shore patent No. 1,157,964, October 26, 1915, as Defendant's Exhibit "Y."

King patent No. 1,158,058, October 26, 1915, as Defendant's Exhibit "C."

These patents I am about to offer in evidence are not pleaded, but they are offered in evidence merely for the purpose of showing the state of the art.

Serrell patent No. 965,025, as Defendant's Exhibits "AA."

Harker patent No. 993,985, May 30, 1911, as Defendant's Exhibit "BB."

Mr. TOWNSEND.—The two patents, Exhibits "Y" and "Z," were [68—33] issued in October, 1915, and are objected to as not competent as publications. They were published more than a year after the date of application of the first Ray patent in suit. They may be competent as to the second Ray patent, but not as to the first.

The COURT.—That will be borne in mind in giv-

ing them consideration that otherwise may be given them.

Mr. WHITE.—I might state that it is clear that each of these patentees of the patents put in evidence was a prior inventor, so that the application date of each patent supports that contention if such application date is prior to the application date of any of the patents in suit. I will call Mr. De Laney.

TESTIMONY OF HERBERT L. DeLANEY,
FOR DEFENDANT.

HERBERT L. De LANEY, called for the defendant, sworn.

Mr. WHITE.—Q. State your name, age, residence and occupation.

A. My name is Herbert L. De Laney; my age is 46. I live at 239 16th Avenue, San Francisco. My occupation is sales manager of the Bunting Iron Works.

Q. For what length of time have you been connected with the defendant Bunting Iron Works?

A. Over three years.

Q. Prior to that time what connection, if any, did you have with the oil burner business?

A. I was previously employed by the Fess System Company.

Q. What has been your experience in connection with this oil burner art which would tend to qualify you as an expert to testify in regard to oil burner structures as shown in patents and patent draw-

(Testimony of Herbert L. DeLaney.)

ings, and working drawings, and as embodied in actual machines?

A. Well, I assisted in working [69—34] out the designs of rotary and mechanical atomizing burners, testing them, since 1910.

Q. Have you read and do you understand the various patents which I have just offered in evidence? A. I do.

Q. Have you read and do you understand the two Ray patents that are in suit?

A. I have and do.

Q. Have you a volume of these patents which I have offered in evidence? A. Yes, I have.

Q. I will ask you to refer to the first patent offered in evidence—

The COURT.—I think we will take a recess until two o'clock.

(A recess was taken until two o'clock P. M.)
[70—35]

AFTERNOON SESSION.

HERBERT L. DeLANEY, direct examination (resumed).

Mr. WHITE.—Q. At the close of this morning's session I called your attention to the Cook patent, being the first prior art patent put in evidence, and asked you to describe briefly the device disclosed therein.

The COURT.—What is the object of this, counsel?

Mr. WHITE.—The object of this, if your Honor please, is to show by these prior patents that the

(Testimony of Herbert L. DeLaney.)

various features embodied in the plaintiff's patented structures were old, and that all that the plaintiff did was to make this selection of the most desirable features.

The COURT.—Well, let him be brief about it and confine himself to like features. He need not go over everything in the other patents where there is no similarity. Wherever they contain like features, let him point them out.

Mr. WHITE.—I will be exceedingly brief in this examination, your Honor. I will just call attention to the main features, without any detail description of them.

A. In the Cook patent is illustrated a system of mechanical atomization of oil, which is a hollow shaft for the oil duct into a revolving head and a pulley or means for revolving this oil-distributing medium.

Q. In the body of the patent specified we find this statement:

“When this method is used of burning hydrocarbon fluids as fuel in steam boiler or other positions, the distributor can be attached in any position, in any convenient place, such as the furnace door, the ash pit,” etc.

Mr. TOWNSEND.—Your Honor, that is from the document, itself, [71—36] and the document, itself, is the best evidence of its contents.

The COURT.—Yes. Never ask a witness to tell you what is in a document. I can read what is in the document myself. It is there and I can read it. Of course, if you want to base a question

(Testimony of Herbert L. DeLaney.)

on it you can remind him of what is there, of course.

Mr. WHITE.—I simply want to emphasize the only real feature in the patent I desire to use.

The COURT.—You can do that in the argument. You need not do it now. But, of course, as I say, if you have any question based on that, you can remind him of it.

Mr. WHITE.—Q. As stated by the patentee in the quotation, is it or is it not feasible, in your opinion, to attach the burner disclosed in this patent to the furnace door? A. Yes, it is.

Q. I refer you to the De Landsee patent and ask you to briefly describe that device.

A. The De Landsee patent illustrates the method of an oil-burning equipment or an oil burner which is hinged to a portion of the door of the fire-box, allowing the burner to swing to and fro from the firing position to a free position.

Q. State whether or not the hinge portion of the De Landsee burner forms a closure for the opening against which it is closed?

A. Yes, it does.

Q. I refer you to the next patent, the Kinney patent, and ask you to briefly describe the features of the same which are relevant?

A. In the Kinney patent they are using the hinge pins as a conduit for steam; also they have a means there for shutting off the flow of steam as the door is swung open. This is used for induced draft conditions.

(Testimony of Herbert L. DeLaney.)

The COURT.—Q. That is to say, in that patent they use [72—37] these pipes for hinge pins?

A. Yes, sir.

Q. And to carry steam, etc.? A. Yes, sir.

Mr. WHITE.—Q. I refer you to the next patent, the Collins patent, and ask you to describe the features thereof which are relevant to the issues.

A. In the Collins patent you have the burner swinging on a pedestal into register with the hole in the furnace door, and you also have the adjustable air passage-way in the nozzle.

Q. For what purpose is that passageway adjusted, according to the disclosure of the patent?

A. In order to accommodate or to regulate the amount of air passing through for the projection of your oil and the atomizing of the oil.

The COURT.—Q. Where do you find the nozzle?

A. As G and E.

Mr. WHITE.—Q. Is E the valve which is adapted to be raised and lowered, in order to expand or to contract the annular air passage?

A. No, E is the air passage.

The COURT.—Q. I see G there at the center of the circular diagram; where do you find E?

A. E is just to the left and a little lower.

Q. You mean to the left of G?

A. Yes, to the left of G.

Mr. WHITE.—Q. What kind of a joint do you call that which is embedded in the oil pipe-line and in the stationary air pipe, adapting the same to be turned, or the nozzle to be turned?

A. A swivel joint.

(Testimony of Herbert L. DeLaney.)

Q. State whether or not that type of joint for similar purposes is now used in any construction manufactured and sold by the Bunting Iron Works? A. Yes, it is.

Q. I refer you now to the Klein patent and ask you to describe the features disclosed therein?

A. In this Klein patent is illustrated the mechanical or rotary force, the mechanical [73—38] atomization of your oil, the oil being fed through a hollow shaft, the shaft carrying the atomizing cup; also carrying a fan for propelling air at the discharge area of the nozzle.

Q. What have you to say in regard to the area of that discharge opening of the air nozzle, relative to the amount of air that would be discharged there through, and the force or pressure of such air?

A. The area of discharge is very much smaller than the passageway of the nozzle; that is, you have a restricted area at the discharge nozzle in comparison to the chamber between the fan and the nozzle.

Q. With what pressure is the air discharged from this Klein nozzle, according to the disclosure of this Klein patent?

A. It creates a pressure that is sufficient to keep the oil, that is, the atomized oil, or the oil leaving the atomizing cup, from striking the edge of the nozzle which is adjacent to the periphery of the cup.

Q. And in this Klein structure, the periphery of the oil-distributing cup is within the outlet opening of the air nozzle: Is that correct? A. It is.

Q. And the air is discharged with such force as

(Testimony of Herbert L. DeLaney.)

to prevent the oil thrown off from the periphery of the cup from striking the inner surface of that air outlet opening: Is that right? A. Yes.

Mr. TOWNSEND.—If you Honor please, that is objected to as leading, and I don't think it is supported by the disclosure in the patent.

The COURT.—It is leading.

Mr. WHITE.—I am trying to cover the ground quickly, your Honor. That statement is in the patent.

The COURT.—That statement is in the patent?

Mr. WHITE.—Yes, your Honor.

The COURT.—I should imagine that would be the effect there [74—39] anyhow if it had air enough—or, rather, I should conclude that. I think perhaps we all know that.

Mr. WHITE.—Q. What would be the effect of such discharge of air in this Klein device with respect to modifying the direction of the flow of the current of oil discharged from the periphery of the oil cup?

A. The discharge of the oil from the atomizing cup without the current of air would be at right angles to the axis. The current of air there would change the oil from right angles to the axis to parallel to the axis.

The COURT.—Q. That is, if strong enough?

A. Yes, sir.

Mr. WHITE.—Q. In that respect, how does the said discharge of air in this Klein device compare with the function performed by the discharge of air in the defendant's device?

(Testimony of Herbert L. DeLaney.)

A. A parallel condition.

The COURT.—Will you read that question, Mr. Reporter?

(Question read by the reporter.)

Mr. WHITE.—Q. In a device such as defendant's device, or in this Klein device, what is the principal means for atomizing the oil?

A. Rotary force, a revolving cup.

Q. State whether or not that function of that cup in respect to atomizing the oil is supplemented by any other means in the device?

A. Yes; your mechanical means of atomization are supplemented by the current of air supplied through the nozzle, and by the fan.

Q. Under what pressure is the air discharged in the defendant's device?

Mr. TOWNSEND.—May I ask, your Honor, if in referring to the defendant's device they are referring to Exhibit 1, or to some device not in evidence?

Mr. WHITE.—To Exhibit 1.

The COURT.—I imagine they are referring to Exhibit 1; it [75—40] is the only one in evidence. While, of course, the record should be made clear, I think we all understand that. Proceed.

A. In the defendant's type of burner there are several sizes; each size carries a certain diameter fan, which gives a certain pressure and volume.

Mr. WHITE.—Q. Why is it necessary in the defendant's device to vary the size of the fan and in this way vary the pressure of the air discharged from the air nozzle?

(Testimony of Herbert L. DeLaney.)

A. Because the smaller sizes of the unit are for small consumption of oil, and the larger sizes for a larger consumption of oil, and the air current or pressure is in proportion to the volume of oil.

Q. In other words, then, it requires a greater pressure to take care of a greater volume of oil discharged from the distributing cup: Is that correct? A. It is.

Q. Can you give the pressure under which the air is discharged from the air nozzle in the defendant's apparatus, Plaintiff's Exhibit 1?

A. No, I cannot.

Q. Can you give it approximately?

A. Approximately about 3 ounces.

Q. Is that a high or low pressure? A. Low.

The COURT.—Q. What do you mean by "3 ounces"—in proportion to what?

A. 3 ounces static pressure.

Q. Even that does not make it clear to a layman.

A. 3 ounces per square inch.

Q. Atmospheric pressure, itself, is what?

A. 14.6 pounds.

Mr. WHITE.—Q. Compare that pressure utilized in defendant's apparatus, Plaintiff's Exhibit 1, with the pressures used in other types of oil burners on the market, and of a higher pressure?

Mr. TOWNSEND.—As to comparison with rotary burners, your [76—41] Honor, they are of no consequence.

The COURT.—Proceed and answer the question.

A. If you take the type of a burner in which the

(Testimony of Herbert L. DeLaney.)

air pressure only is the atomizing means of your oil, it is customary to use 25 or 30 pounds of air pressure.

Q. Now, let me understand you right here. I am more familiar with steam than with air. Do you mean that if you had a gage on the defendant's device the pressure indicated on the gage would be 3 ounces? A. Yes, sir.

Q. That would be rather small.

A. Yes, sir. In other types, other than the mechanical atomizing types, your air is the atomizing medium, while in Exhibit 1 you are using the rotary force for atomizing the oil, assisted by the projection or the air current, which is much less than the straight air-atomizing burner.

Mr. WHITE.—Q. What is the principal function performed by the current of air issuing from the air nozzle in the defendant's device, or in the plaintiff's device, as illustrated in these two exhibits before you, Exhibits 1 and 7?

Mr. TOWNSEND.—If your Honor please, I want to make a general objection to the lack of qualification of this witness to testify to functions and details of this character. He is a sales manager.

The COURT.—We are up in the domain of physics now; the objection will be sustained at this time.

Mr. WHITE.—Q. State whether or not you have acted simply as a salesman for these different oil companies for which you have worked, or have you acted for them in any other capacity?

(Testimony of Herbert L. DeLaney.)

A. Yes, I have acted in the capacity of designing and developing oil burners.

Q. What experience have you had in that line which would qualify [77—42] you to testify in regard to functions performed by these devices?

Mr. TOWNSEND.—That is calling for his own conclusion, your Honor.

The COURT.—But he is asking him for his experience.

A. My experience covers a period from 1910, not exclusively devoted to the development and the designing of burners, but a portion of that time was devoted to that purpose.

Mr. WHITE.—Q. State whether or not that experience enables you to state what is the chief function performed by the air current discharged from the air nozzle in the defendant's device.

Mr. TOWNSEND.—That is an opinion that your Honor can decide yourself, whether he is qualified. I suggest that a sufficient foundation has not been laid for an explanation of the laws of physics.

Mr. WHITE.—It is a very simple matter, your Honor.

The COURT.—Perhaps we all have some knowledge of it. He might have sufficient through his connection in designing and operating these instrumentalities, and associating with men perhaps who have a more profound knowledge of the laws that control. I will allow him to answer, but if the Court, in making up its decision, concludes that his opinion is of no value, it will receive no con-

(Testimony of Herbert L. DeLaney.)

sideration in the determination of the case. For the sake of the record the objection will be overruled and the counsel's exception noted.

A. Yes, sir.

Mr. WHITE.—Q. Please state that chief function.

A. The chief function of the air current in these two types of burners here is for the changing of the current or direction of the oil current from that of right angles to the shaft or axis to parallel to the shaft, or projecting forward. [78—43]

Q. State whether or not in one of these devices, and I am now referring to the defendant's device and to the plaintiff's device which you see before you, the air issuing from the air nozzle is sufficient for the purpose of combustion of the oil consumed in the furnace?

A. That amount of oil would be sufficient at a low point of consumption; in reaching the maximum power or capacity of the burner, it would not be.

Q. And under the latter condition, what is done in order to supplement that supply of oil in the operation of one of these burners?

A. There is a space of additional air allowed to enter the combustion chamber from the atmosphere; that is drawn into the combustion chamber by the pull of the smokestack.

The COURT.—I doubt if you will be at any difference in respect to these matters, or that they have very much bearing on this case.

(Testimony of Herbert L. DeLaney.)

Mr. WHITE.—Q. I refer you to the Leyson patent and ask you to briefly describe the features in that patent relative to the issues in this case.

A. The Leyson patent illustrates a furnace door which is kept cool by a circulation of cold water—or, rather, a circulation of water. The hinge pins are a center line on which the water connection is made, flowing to the hollow door lining, and flowing away from the door.

Q. I refer you to the Eddy patent, and ask you to similarly discuss the same.

A. In the Eddy patent it discloses a mechanical atomizer; the atomizer is carried on a hollow shaft, which is the oil conduit for feeding the oil to the atomizer; a pulley on the shaft which is connected up to some motive power, and a duct leading into the burner, which has a current of oil established [79—44] by some remote means. The rotary head is the means of atomizing the oil. The current of air is the assistant in atomization and the projecting force for the oil into the combustion chamber. On this burner I find, too, the plate surrounding the hole which the burner is inserted through, and also a lining for that hole in the furnace wall.

Q. Please describe the construction of the oil-distributing cup.

A. The oil-distributing cup is composed of two compartments; between the front and the rear compartments is a partition which has a series of holes connecting the rear to the forward section of the cup. The rear section of the cup is connected to

(Testimony of Herbert L. DeLaney.)

the driving shaft. The fuel oil is fed through the hollow shaft into the rear section of the cup, to the perforations in the forward section of the cup, and then discharged from its periphery.

Q. I refer you to the second Eddy patent and ask you to discuss the disclosure thereof.

A. In the second Eddy patent we have the atomizing cup, and it might be called a secondary atomizing means, which is propelled by the fan; you have a hollow shaft for feeding the oil into the atomizing cup, and you have also a fan for furnishing the necessary air, and a pulley for driving the shaft which holds the atomizing cup and the fan.

Q. Aren't you mistaken in regard to the device in the air nozzle being a fan? Isn't it an air-driven motor, in the second Eddy patent?

A. Yes, it is.

Q. And the part 5 which you took for a pulley is a bracket. A. A bracket, yes, that is correct.

Q. So that in the second Eddy patent you have the motor means for turning the shaft mounted on the shaft on which is mounted the distributing cup: Is that correct? A. Yes, sir.

Q. State whether or not the operation of this device disclosed [80—45] in the second Eddy patent is made different by the fact that the motor for turning the shaft on which is mounted the oil cup is directly on that shaft, or is at a remote spot, as indicated in the first Eddy patent

A. I believe the results would be the same.

Q. I refer you now to the Mack patent and ask you to discuss the same.

(Testimony of Herbert L. DeLaney.)

A. In the Mack patent we have a rotary or mechanical atomizing oil cup; we have a tube feeding through a hollow shaft in the oil cup; we have a fan mounted on this shaft for furnishing the air for projecting the oil and atomizing the oil; this fan has a plate or a baffle wall between the fan runner and the case of the apparatus. It has a pulley for driving the fan and the atomizing cup.

Q. Where is the discharge from the fan in this Mack patent?

A. The discharge is surrounding the cup or from the center of the fan case.

Q. Where does the air leave the fan?

A. It leaves at the periphery of the fan, and is led around between the casing of the fan and the baffle plate inside.

Q. What factors control a design of a fan for getting certain results with regard to taking care of a certain volume of air having certain pressure?

MR. TOWNSEND.—That is objected to for the lack of proper foundation, and as calling for the opinion of the witness, as respecting rules of physics or the laws of physics.

MR. WHITE.—This witness is qualified as an engineer and designer in this art.

THE COURT.—I will allow him to answer. If the Court finds it is not entitled to any consideration it will be given none, but you will have it in the record for the sake of any review which either party may desire, instead of having the case sent

(Testimony of Herbert L. DeLaney.)

'81—46] back through some adverse or improper ruling. The objection is overruled and the exception noted.

A. In building a fan for a specific purpose, knowing the desired pressure of air that you wish to carry, the pressure of air will give you the diameter of your fan. The volume of air that you want will be controlled by the width of the fan.

Mr. WHITE.—Q. What would be the proper design of a fan where you wished to take care of a small volume of air at a relatively high pressure?

A. Your runner would be wide enough to carry the necessary volume and the diameter to give you the necessary pressure. For a small volume it would be a comparatively narrow runner.

Q. State whether or not the fan which you find embodied in the defendant's device is designed in accordance with what you have just stated to be the factors entering into the design of a fan to take care of the amount of air which would discharge from the air nozzle in the defendant's device?

A. Yes, it would; it would give you a relatively high pressure for a small discharge opening.

Q. For what length of time, to your knowledge, have fans been so designed in order to take care of varying volumes and pressures of air as indicated by you?

A. I would have to go back a long, long ways into various books which I have read on fan construction over a period of possibly 20 years.

Q. How many? A. 20.

(Testimony of Herbert L. DeLaney.)

Q. I refer you to the Hamman and Voegeli patent and ask you to discuss the same.

A. The Hamman and Voegeli patent illustrates the use of steam operating a blower for an increased draft on burning coal. The blower is mounted on the door of the furnace, and the supply of steam for the blower is brought [82—47] through the hinge pins of the door.

Q. State whether or not that steam conduit forming the hinge pintles of the two hinges is a rigid structure between the two hinges?

A. Yes, it is.

Q. I refer you to the Thom patent, and ask you to discuss it.

A. The Thom patent discloses the swivel joints in the connections to a steam atomizing type of burner, both the steam and the oil being on a swivel connection, allowing the burner to be withdrawn from the fire-box without disconnecting either one of the steam or oil conduits.

Q. Now, discuss the disclosure in the Anderson patent.

A. In the Anderson patent we find the hinge pin used for a conduit, one pin being for steam and air, the atomizing medium, and the other connection being the oil conduit to supply the burners. The burners are projected through the furnace door.

Q. State whether or not the Anderson burners mounted on the door, or a portion of the burners, forms the closing for the furnace opening?

(Testimony of Herbert L. DeLaney.)

A. In this case the burner is fastened to the door.

Q. Now, discuss the Gibbs patent.

A. In the Gibbs patent we have the steam driven turbine operating an atomizing oil cup in which the oil is fed through the shaft of the cup, the motor being on the same shaft, this hollow shaft which feeds the oil to the cup. The fan here is quite a bit larger than the periphery of the discharge.

Q. Is that fan mounted on the shaft on which the motor and the cup are mounted?

A. Yes, it is.

Q. Now, discuss the Gordejoff patent disclosure.

A. The Gordejoff patent discloses a construction there of a conical-shaped nozzle as the burner is inserted through the fire-box lining. This lining is attached to the front plate of the furnace. [83—48]

Q. What is the shape of the lining?

A. The shape of the lining is conical. On this we have the burners hinged to the plate so they may be withdrawn from the combustion chamber.

Q. Is the pintle of the hinge for each burner a part of the oil supply pipe? A. It is.

Q. I refer you to the Hamman patent No. 799,560, of September 12, 1905, and ask you to describe the apparatus described therein.

A. The Hamman patent illustrated here is for an induced draft apparatus. The unit is mounted by hinges to a plate on the front of the furnace

(Testimony of Herbert L. DeLaney.)

wall. It has a housing or casing that projects through the fire or the furnace wall. It has a periphery intake to the fan, and a comparatively central discharge from the fan, the air being led from the periphery of the fan through the casing or around a baffle and then into the discharge; the steam for operating the turbine, which, in turn, operates this fan, is carried on the center line of the hinge pin. This fan is quite a bit wider than the width of the runner.

Q. Describe the disclosure of the Johnson patent.

A. The Johnson patent shows an electric motor which operates the fan, it being on the same shaft as the fan, that is, directly connected, composing a single unit. It has a cast-iron or metal lining surrounding the opening where the burner is inserted into the combustion chamber.

Q. Describe the device of the Britten patent?

A. The Britten patent discloses a rotary head, that is, a rotary burner with the head, the fan, and the motor all on one shaft.

Q. What is the type of motor in the Britten device? A. A water motor.

Q. If you substituted in this Britten device an electric motor for rotating the fan and burner, would there be any difference [84—49] in the mode of operation of this device or the result accomplished? A. Not a bit.

Q. Describe the device disclosed in the Fesler patent of May 21, 1912.

A. The Fesler patent is of the rotary or mechani-

(Testimony of Herbert L. DeLaney.)

real atomizing type of burner. The rotary head has a rearwardly projected collar in which the oil is fed, the feed pipe being a stationary pipe.

Q. What would be the type of flame in connection with this Fesler burner, what would be the form?

A. It might be described as being saucer-shaped.

Q. For what reason would it be so shaped; in other words, what is there in the device of Fesler that would give the flame that saucer shape?

A. The fact that Fesler uses a rotating head for atomizing the oil, and that the current of air supplied by the fan which is housed in the burner head delivers the oil parallel to the oil—delivers the air parallel to the oil current, it gives you the saucer-shaped fire.

Q. To get the cylindrical-shaped flame of this device here of plaintiff and defendant it is necessary, as I understand it, to discharge it at right angles to the oil discharged from the periphery of the cup: Is that correct? A. Yes.

Q. So that in any of these burners you can vary the form of the flame by varying the angle at which the air discharges around the periphery of the centrifugal cup: Is that correct? A. Yes, it is.

Q. I refer you to the Gordin patent, and ask you to describe that device.

A. This discloses an atomizing head or duct, with the fan and the motor all on the same shaft, and the motor being a steam turbine.

Q. Describe the device disclosed in the Becker patent.

(Testimony of Herbert L. DeLaney.)

A. The Becker patent discloses a centrifugal cup and a fan, and [85—50] a hollow shaft through which the oil is pumped to the atomizing cup, the head and fan being on a sliding shaft.

Q. You are referring to the second Becker patent, No. 1,101,779, of June 30, 1914, are you not?

A. June 30, 1914, yes.

Q. Have you the first Becker patent of May 5, 1914, there? A. Yes.

Q. Describe that device as disclosed in that patent.

A. In the Becker patent of May 5, 1914, there is disclosed a motor, a fan, and a centrifugal oil distributor on the same shaft. It would be necessary to have a motor driving your shaft line.

Q. In the Becker patent of June 30, 1914, how is your oil fed to the rotating oil cup?

A. Through a hollow shaft, that is, through a conduit inside of the hollow shaft.

Q. In other words, in that device there is a stationary oil conduit within the hollow rotating shaft: Is that correct? A. Yes.

The COURT.—Where is the cup in that?

A. The cup, here, is Fig. 6.

Q. What is 14 at the very top?

A. That is the cap over the cup.

Mr. WHITE.—That is made of some refractory material to protect the interior of the cup from direct action of the heat in the furnace? A. Yes.

The COURT.—There is something new there. The others did not have that.

(Testimony of Herbert L. DeLaney.)

A. No, the others utilized the open cup and Becker uses what might be termed a closed cup.

The COURT.—Proceed.

Mr. WHITE.—Q. Describe the Britten device disclosed in the patent of July 7, 1914.

A. This discloses a rotating cup, [86—51] a fan, and a water motor on the same shaft, the oil being fed through the shaft to the distributor on top.

Q. I refer you to the second Fesler patent of October 6, 1914, and ask you to describe the device illustrated therein.

A. The Fesler patent of October 6, 1914, has duplex or two ways for atomizing the oil. It has a rearwardly extended cup delivering oil into this rearward extension. That oil tube is inside of a revolving shaft, the revolving shaft carrying the rotating head.

Q. And the oil tube being stationary?

A. The oil tube being stationary.

Q. Now, I refer you to the King patent, and ask you to describe that structure.

A. The King patent of October 26, 1915, discloses an open cup for the atomizing of oil, a conduit through a hollow shaft for conveying the oil to the cup, a fan fastened to the shaft, and a means for driving the shaft.

Q. I refer you now to the Shore patent and ask you to describe the same.

A. The Shore patent has a swivel joint for conveying steam to a furnace opening—not steam, but air, for superheating the air.

(Testimony of Herbert L. DeLaney.)

Q. I refer you now to the Serrell patent, Exhibit "AA," and ask you to describe the disclosure thereof.

A. This Serrell patent discloses the fan runners of a vacuum cleaner, the fan runner being quite narrow in comparison to its diameter. This patent is a multi-stage machine, in which the air furnished enters and passes out through the first fan into a conduit or space leading to the second fan, the second fan runner being a little larger in diameter than the first one, and discharging into a conduit carrying the air to a third runner, and the third runner being of a larger diameter than the two preceding ones. [87—52] The air in each case is taken through the center or through the hub of the fan and discharges at the periphery.

Q. How do the dimensions of the fan blades in this Serrell device compare with the dimensions of the fan used in the defendant's and plaintiff's devices?

A. They are very narrow in proportion to the diameter.

Q. I refer you to the Harker patent, Exhibit "BB," and ask you to discuss the disclosure therein.

A. In the Harker patent there is disclosed a two-stage vacuum pump in which the air is drawn into the hub of the first runner, discharging at the periphery, has an air duct leading back to the hub of the second fan runner, again discharging at the periphery, and the air turning back toward the center of the hub and discharging to the atmosphere.

(Testimony of Herbert L. DeLaney.)

In this case the diameter of the fan is quite a bit wider than the width of the runner.

Q. You stated that at one time you were connected with the Fess Company: Is that correct?

A. Yes, I was.

Q. I hand you a pamphlet and ask you to state whether or not the same discloses the type of burner which was being manufactured and sold by that company at the time that you were in its employ?

A. Yes, it does.

Q. On what page do you find an illustration of such burner, and when was it being sold by that company?

A. It does not give the page number. There is the burner right here, and that was made in 1910.

Q. Here in California? A. In San Francisco.

Q. Now, of what parts does that burner consist? Just briefly describe the same as it was manufactured and sold by that company in California as early as 1910.

A. The equipment consisted of an electric motor to operate the burner, a main driving [88—53] shaft, having a worm reduction gear, end gear, which operated a small oil pump; the shaft extended into a set of bevel gears which carried the power to the vertical shaft carrying the atomizing cup; the pump operating upon a constant speed motor naturally ran at a constant capacity of oil, the amount of oil that was taken over or used on the burner was taken from the pump, and the balance of the oil returned through a relief valve to the source of supply.

(Testimony of Herbert L. DeLaney.)

Q. State whether or not there were in these oil conduits in that structure as sold in 1910 valves for controlling the oil supply to the burner?

A. Yes, there was a valve there to control the flow of oil to the burner; there was also a relief valve that I mentioned that established the back pressure which forces the oil to the burner.

Q. State when that pamphlet or circular which I have just handed you was published and being used in connection with the carrying on of the business conducted in California?

A. That pamphlet?

Q. Yes. A. In 1912, 1913, and 1914.

Q. Can you fix the earliest date when that pamphlet was being used?

A. Well, I have one date here of March 16, 1911, March 20, 1911.

Q. It was published, then, subsequent to those dates? A. Yes.

Q. Can you give us the approximate time when it was published and used by you and your company?

A. Well, it was approximately at those dates.

Mr. WHITE.—I offer this pamphlet in *office* and ask that it be marked “Defendant’s Exhibit ‘CC,’ Fess Company catalog.”

Mr. TOWNSEND.—So far as being offered for publication of any anticipatory idea, we object as not sufficiently proven; if it is offered simply to show what the Fess Company was doing in [89—54] years past there will be no objection on that ground.

(Testimony of Herbert L. DeLaney.)

Mr. WHITE.—That is the purpose for which it is offered.

The COURT.—Very well.

Mr. WHITE.—Q. I hand you what appears to be a bulletin of the American Heat & Power Company, dated March 20, 1914, disclosing an oil-burner arrangement, and ask you to state whether or not you were ever familiar with the construction of the burner disclosed in this circular, and if so when did you first become acquainted with the same, or approximately when?

A. My recollection of first seeing this type of burner was about in 1913.

Q. State whether or not the illustration in that bulletin discloses this return oil conduit which takes care of the surplus oil pumped by the pump and not supplied to the burner? A. It does.

Mr. WHITE.—We offer in evidence this bulletin and ask that it be marked Defendant's Exhibit "DD."

Mr. TOWNSEND.—That, I understand, Mr. White, is a catalog issued about the time stated by the present defendant's predecessor.

Mr. WHITE.—This was issued by the American Heat & Power Company on March 20, 1914.

Mr. TOWNSEND.—One of the predecessors of the defendant.

Mr. WHITE.—Not any predecessor of the defendant.

Mr. TOWNSEND.—I think that you will find that to be the fact; the American Standard Oil

(Testimony of Herbert L. DeLaney.)

Burner Company preceded the Bunting Iron Works, and the American Heat & Power Company preceded the Standard Oil Burner Company.

Mr. WHITE.—There was a transfer along that line.

Mr. TOWNSEND.—As long as it is understood it is all part of the predecessors' work. [90—55]

The COURT.—Anything further from this witness on direct?

Mr. WHITE.—If your Honor will indulge me for just a moment; I think I am about through.

Q. State whether or not any difference in mode of operation results from the fact that in the exhibit here of the plaintiff's commercial oil burner there is an oil cup to which the oil is fed through a stationary oil conduit located in a hollow shaft, whereas, on the other hand, in this defendant's device we have another species of oil cup to which oil is delivered by a stationary pipe on the shaft.

Mr. TOWNSEND.—That is objected to as immaterial; the comparison should be with the plaintiff's device and the defendant's device. As your Honor realizes, the plaintiff's patent 1,193,819 shows the identical structure embodied in defendant's device about which he is inquiring. The variations they have made in the commercial device become immaterial to the question of infringement, so the question is irrelevant and immaterial.

Mr. WHITE.—If your Honor please, the second Ray patent in suit discloses the structure shown in this machine which is commercially sold by the

(Testimony of Herbert L. DeLaney.)

plaintiff corporation. This defendant's device is contended to be an infringement of the patent covering that structure, having that particular species of oil burner, and the first Ray patent which is charged to be infringed by this structure having a different species of oil cup. Now, I wish to have the witness simply compare these two and state whether or not any difference in mode of operation results by reason of the fact that in one of these burners we have one species of oil cup and in the other another species of oil cup. It is the same question I asked of plaintiff's witness. [91—56]

The COURT.—For the sake of the record the Court will overrule the objection and an exception will be noted, and the answer allowed; if not material the Court will give it no consideration; in any event, it will be before the appellate tribunal if necessary. A. There would be no difference.

Mr. WHITE.—Q. In other words, then, when you substitute in one of these oil burners for the particular species of oil distributing cup and oil feed means therein another species of oil cup and oil feeding means you do not modify the mode of operation of the whole device which comprises a fan and a motor: Is that correct? A. Yes.

Q. State whether or not in the operation of the defendant's device the mode of operation of that device as an oil burner would in any way be affected by the fact that instead of carrying the oil to the oil cup through conduits forming the hinge you carried the oil to the cup through a flexible conduit?

(Testimony of Herbert L. DeLaney.)

A. It would not.

Mr. TOWNSEND.—That is objected to as irrelevant. The defendants are doing that way and I cannot see that the inquiry is material.

The COURT.—I don't know just what your claims may cover. I can very readily see what his answer would be. I think any of us can see it would make no difference, but following the rule the objection will be overruled, an exception noted, and it will be in the record; if not relevant or material or competent it will be given no consideration.

Mr. WHITE.—In the operation of this defendant's device, what effect, if any, in its mode of operation would there be in hinging that device to a front plate on the furnace wall and having another plate distinct from this first plate form the [92—57] lining for the furnace opening?

A. There would be none.

Q. Is there any co-operation between this furnace lining or this lining here for the furnace opening and the rest of the device operating as an oil burner?

A. No.

The COURT.—Have you concluded your direct?

Mr. WHITE.—Yes.

The COURT.—Cross-examine.

Cross-examination.

Mr. TOWNSEND.—Q. Mr. De Laney, in referring to the so-called furnace plates of both the plaintiff's device and the defendant's device, it is your custom, is it not, to sell the furnace plates with a conical projection and the burner together as a unit?

(Testimony of Herbert L. DeLaney.)

A. That is the plate and the burner as a part and parcel of the burner?

Q. Yes. A. Yes.

Q. Do you recognize any co-operative action between the conical projection on the so-called furnace plate and the burner, itself, in the manner of certain air that is brought in or induced into the furnace within the hollow conical projection of the plate and the burner tip as having any beneficial effect in cooling the burner tip?

A. I never noticed it.

Q. It is there just the same, is it not?

A. I have burned them both ways without showing any different result.

Q. Speaking of the facts as we find them, there is an air jacket enclosed between the conical hollow projection of the furnace plate and the burner tip of the defendant's burner and the air nozzle when the parts are in position in the furnace? A. Yes.

Q. Now, in accentuating what you said was a 3-ounce pressure, or approximately a 3-ounce pressure at the cup on the defendant's device, would you say that the same condition would approximately prevail in the plaintiff's structure represented by [93—58] Exhibit 7? A. Yes.

Q. And, in so far as these features of fan construction and air velocities and air pressures, you find them approximately the same in the plaintiff's device and in the defendant's device, do you not?

A. Yes.

Q. Now, in your work with the Fess Company,

(Testimony of Herbert L. DeLaney:)

when did you first go to work for the Fess Company, or whatever the corporate name was, if you will be good enough to give it?

A. The Fess System Company—I think July, 1910.

Q. In what capacity?

A. First as a salesman.

Q. And who was in charge of the Fess System Company at that time? A. M. A. Fesler.

Q. Who was the patentee of the patent to which reference has been made in this case? A. Yes.

Q. And he was the general designer of the work that was put out by the Fess Company during the years that he was connected with it? A. Yes.

Q. Who was in immediate charge of work, factory work, under Mr. Fesler?

A. Along in 1910, Mr. Coffman.

Q. Mr. D. G. Coffman, who is present here in the room? A. Yes.

Q. What was his position, do you remember?

A. He was, you might say, Mr. Fesler's assistant.

Q. In charge of production under and co-operating with Mr. Fesler? A. Not at that time, no.

Q. When did he assume charge of production? The COURT.—Is this cross-examination?

Mr. TOWNSEND.—It goes to the qualifications, your Honor.

Q. How long did you continue in a salesman capacity with the Fess Company?

A. There were times along in 1910, 1911, 1912, in fact all the time that I was with them—well, I

(Testimony of Herbert L. DeLaney.)

will say [94—59] not all the time, but I will say possibly 1915, or 1916, along in there; I was not only in the sales end, but also assisted in the designing of the rotary heads.

Q. That is, by designing, do you mean laying out a head for a particular size burner? A. Yes.

Q. Under Mr. Fessler's direction?

A. Yes, under his direction.

Q. And work also in the matter of drawing out the furnace interior to receive these burners?

A. Yes.

Q. During this period up to 1916, what type of burner did the Fess Company put out? Was it or not substantially of this type disclosed in the two patents that you have referred to, and also in the catalog before the Court?

A. Principally that type of rotary burner.

Q. What is known as a vertical rotary head burner? A. Yes.

Q. When did the Fess Company if at all change that type of burner to some other type?

A. You mean the mechanical atomizing type?

Q. Yes, the rotary type.

A. I think our first experiments on that started about 1913.

Q. When did you first commence to put out any different type of rotary burner? A. 1915.

Q. That was known as the Fess turbine type?

A. Fess turbine type.

Q. That Fess turbine type does not use a rotary

(Testimony of Herbert L. DeLaney.)

fan in the sense of a fan mounted on the shaft and giving air velocity for atomization purposes?

A. No, the fan is a separate unit.

Q. In other words, you used a turbine to force a draft of air against the fan to give it its velocity, and therefore give additional velocity to the head?

A. I do not quite understand your question.

Q. Will you describe it for me? That is the easiest way. [95—60]

A. That Fess turbine uses a fan unit which establishes the current of air; that is led to the burner, and the burner proper has a revolving member carried on a ball bearing, or a series of ball bearings, and that member has a series of plates placed in the pathway of this discharging current of air, which causes this revolving member to revolve.

Q. In 1915, when this turbine type of Fesler burner came out, the Ray burner was well known to you, was it not, and Mr. Fesler? A. No.

Q. In what way do you wish to qualify my question?

A. Because the first Ray burner I ever laid my eyes on was out at the Exposition in 1915; I would say it was about March or April, 1915.

Q. And it was subsequent to that that the Fess turbine appeared, as a matter of fact; isn't that true?

A. It was about that selfsame time.

Q. Now, the Fess Company proceeded to put out

(Testimony of Herbert L. DeLaney.)

a turbine type of rotary burner during the time that you were with them? A. Yes.

Q. When did you leave them to go with the present defendant? A. Three years ago.

Q. Three years ago? A. Yes.

Q. Up to the time that you came with the defendant, it is true that the defendant had never put out a turbine burner such as they are putting out to-day, which is now before the court? A. Yes.

Q. Now, at the time that the Ray burner was known to you during 1915, and at the time the Fess burner came out, how soon after that did you first hear of the defendant's horizontal rotary?

A. I don't know as I have any way of fixing that date.

Q. Well, approximately, your best recollection.

A. I could not say whether it was 1915 or 1916.

[96—61]

Mr. WHITE.—He is referring to the defendant, Bunting Iron Works, Mr. De Laney.

Mr. TOWNSEND.—When we are speaking of the defendant's rotary burner we might include, as well, the predecessors of the defendant, American Heat & Power Company, and American Standard Oil Burner Company.

Mr. WHITE.—The Bunting Iron Works did not go into this business until 1919.

Mr. TOWNSEND.—The history of the defendant's work, of course, must be traced through its predecessors.

Q. In other words, you did not hear of the Ameri-

(Testimony of Herbert L. DeLaney.)

can Standard Oil Burner Company coming out with a horizontal rotary burner until after the Ray burner was well known on the market, and also the Fess turbine had become known?

A. Well, I would say that it was about the self-same time.

Q. So far as you recall at this time?

A. As far as I recall.

Q. But I understood you to say a while ago you thought it was either 1915 or 1916 you first heard of the Simplex horizontal rotary?

A. As I recall them, the Fess turbine and the Ray burner and Simplex horizontal rotary all appeared on the market just about the same time.

Q. That is according to your best recollection?

A. According to my best recollection.

Q. Now, we have had reference made to a number of patents which you have run through for the defendant's counsel. Which one of the patents of all of the patents you have referred to do you consider the nearest approach to the plaintiff's patents in suit, or either of them?

A. Well, there are many comparable points in a number of them.

Q. My question is, I am asking you now, which is your one best reference that you can refer to against either of the Ray [97—62] patents, or as against each of them?

A. I cannot see that there is any particular one.

Q. Of the 20-odd patents or so you are not able to pick out any one as standing out pre-eminently

(Testimony of Herbert L. DeLaney.)

above the rest as being an approach, a counterpart to the plaintiff's patents?

A. There are a number of them there that have the same principles involved.

Q. That is not an answer to my question, Mr. De Laney, and I am not admitting the matter of principle and similitude, but can you pick out, if not one, can you pick out a distinct patent by date and number which you will say would be your best art?

A. No.

Mr. WHITE.—The question is objected to as indefinite, because apparently counsel is uncertain in his mind whether he is referring to matters of form, only, or matters of substance. In regard to mode of operation and functions performed, the witness has answered the question.

The COURT.—The witness has pointed out the similarities. I think the objection is good.

Mr. TOWNSEND.—Q. Will you be good enough to turn to the Cook patent, the first one, 73,506; it is obvious, is it not, that this has not a fan?

The COURT.—It shows for itself. I do not care to take up the time on that. He has pointed out the various points of similarity; that is all.

Mr. TOWNSEND.—Manifestly, a patent cannot be anticipated by picking out a part here and a part there.

The COURT.—I don't know whether it can or not. I do not want to foreclose the question. He has endeavored, I think, to show that all of the peculiar features which are the subject of your

(Testimony of Herbert L. DeLaney.)

claims that the court has not read is found there in [98—63] some one or more of these patents, not all of them in any one, but all of them scattered through a number. Now, if the witness has pointed out similarities that you are inclined to cross-examine him upon to show that they are not similar, very good, but I do not think that it is open to you have him tell us all of the points that are dissimilar.

Mr. TOWNSEND.—Oh, no, I did not intend to.

The COURT.—What is not in the patent will show for itself.

Mr. TOWNSEND.—Q. The so-called rotary head or revolving distributor D of the patent is not a cup in any sense, is it, Mr. De Laney?

A. Well, it could be called a cup, it could be called an atomizing head.

Q. In other words, a revolving distributor?

A. In other words a revolving distributor.

Q. That has a series of radial vanes upon its outer vertical surface, hasn't it? A. Yes:

Q. Now, referring to Landsee, No. 100,268, that is not a rotary burner at all, is it?

A. No, it is not.

Q. So far as any burner is shown, you would say it was a straight shot type? A. Yes.

Q. With regard to Kinney, No. 315,145, that is another straight shot type of burner, is it not?

A. It could be, yes.

Q. This burner is simply swiveled to swing in and out of a hole in some part of a furnace front, door or otherwise? A. It shows on the door.

(Testimony of Herbert L. DeLaney.)

Q. The burner, swinging on its swivel, may swing inside of the door? A. It could.

Q. That is the way it is shown, is it not?

A. No, it is shown here in conjunction with the door.

Q. It is shown projected through holes in the door? A. Yes.

Q. But the door being capable of remaining closed after the [99—64] burner is drawn away from it? A. Yes.

Q. There is no fluid passing through the hinges of the door? I understood you to say on your direct examination that there was. I think that you will find you are possibly in error; your fluid comes down to the letter D and then is passed into the burner? A. Yes.

Q. So the fluid does not pass through the door hinge?

The COURT.—What patent is this you are referring to?

Mr. TOWNSEND.—Kinney, 315,145.

The COURT.—I *do not have* noted that the witness said anything about a Kinney patent.

Mr. TOWNSEND.—Yes, No. 315,145; I forget the exhibit number; I made a note of it.

The COURT.—He may have.

Mr. TOWNSEND.—Q. Now, referring to Collins No. 426,713, that is another straight shot type of burner, is it not? A. Yes.

Q. And the so-called head A is a more or less

(Testimony of Herbert L. DeLaney.)

complex structure for superheating the fluid to compose the inflammable vapor? A. Yes.

Q. And the burner is mounted on a swivel entirely separate and independent from the door hinges? A. Yes.

Q. And it has a hinge movement entirely separate and independent from the door hinge movement: That is correct, is it not? A. Yes.

Q. Leyson, No. 530,539, I understood you to say that that was simply a water jacket door.

A. Yes.

Q. And no burner apparently shown? A. No.

Q. Simply an oil passage into the door?

A. Water passage.

Q. A water passage, I mean, into the door, water pipe K, and exit through pipe P: Is that correct?

A. Yes. [100—65]

Q. The first Eddy patent, 540,650, is there any fan in connection with that?

A. The fan unit is in addition to the burner as shown.

Q. You do not see any fan in this patent, do you?

A. No.

Q. You have a force draft through the air conduit D, do you not? A. Yes.

Q. And that is relatively a large area with respect to the quantity of oil that can possibly be delivered through the oil conduit?

A. No, I would not say that.

Q. Well, in comparison with what either the defendant or plaintiff employs, that conduit and the

(Testimony of Herbert L. DeLaney.)

space between the cup and the outside air duct provides for a large amount of air by volume in it?

A. Yes, as illustrated here.

Q. You see no relation existing in the Eddy patent between the speed at which the cup might be revolved and the velocity of the air which came in through the conduit marked D? A. No.

Q. No provision is made for it in the patent, is there? A. No.

Q. The Eddy patent No. 2, No. 540,651, that is a patent you described as a turbine type, is it?

A. Yes.

Q. In which you have a large volume of air coming into an air trunk C operating on the first fan blades 19 to revolve one part of the device: That is true, is it not? A. Yes.

Q. And this same volume of air from some source acting upon a second set of turbine blades 36 to revolve another part of the device? A. Yes.

Q. There is no connection between fan blades 19 and fan blades 36, is there? A. No.

Q. They are two independent turbines performing different functions?

A. Well, the runner 36, or the fan blade 36 runs, you might call it, a second atomizer.

Q. The function performed by one set of blades 19 is one thing, [101—66] and the function performed by the second set of blades 36 is another?

A. Yes.

Q. Different instrumentalities? A. Yes.

(Testimony of Herbert L. DeLaney.)

Q. And this is a forced draft of air from pipe 4, Fig. 1, is it not? A. Yes.

Q. That works these turbine members?

A. Yes.

Q. Now referring to Mack, No. 548,647, did I understand you correctly to say that there was a fan for projecting the oil?

A. A fan for projecting the oil?

Q. I understood you to say that; that was your language, I wrote it down, as I gathered it at the time.

A. You have a fan there for establishing your air current, and you have a current of air that is led parallel to the sides of your cups, and you also have air coming through the perforations surrounding that cup.

Q. Now, will you just indicate by numeral what the cup is that you refer to?

A. The cup is lettered "E"; the air passage I spoke of, which carries the air parallel to the cup, is 20 or 26—I guess it is 20.

Q. You note at the top of page 2 of the Mack specifications that the atomizer E is described as "preferably conical in shape, with the larger end outward, and providing with radiating slots 24 and perforations 25." A. Yes.

Q. So that that cup is a perforated slot oil distributing cup, isn't it? A. Yes.

Q. What is the effect of throwing off the oil through the slots and perforations 25 of this cup upon the surrounding perforated cylinder D?

(Testimony of Herbert L. DeLaney.)

A. Well, you have a multiple of air jets coming off the cylinder D, which would carry that oil forward into the combustion chamber.

Q. Let us see if that is true: The cylinder D is stationary, is it not? A. Yes.

Q. And these perforations are in lines radial to the axis of the [102—67] rotating cup?

A. Yes.

Q. So that the air jets coming through those perforations in D are coming crosswise of the axis of the rotating cup: Is that not true? A. Yes.

Q. Now, which way is the oil traveling from the cup, whether over the lip or through the perforations 25 and the slots 24 of the oil cup—that oil is traveling in a radial direction?

A. Yes, as your oil is admitted into that atomizing cup there, there is a certain amount of oil, that is, the oil that is passing over that first series of holes 25 passing out into D.

Q. Being thrown by centrifugal force at right angles to the axis?

A. Yes, through these holes or perforations at right angles into the tube D.

Q. What would be the effect of oil being splashed off or through the cup E upon the perforations enveloping cylinder D? Wouldn't it be to gradually clog these perforations up, if you used ordinary oil, as you do in burners to-day?

A. The current of air coming out of 20 there would carry the oil forward.

Q. As a mechanic, would you say that the amount

(Testimony of Herbert L. DeLaney.)

of air that would come through that little annular space 20 just rearward of the oil cup E would equal in any proportion whatever the amount of air that would come through the perforations in the cylinder D? A. No.

Q. The amount of air that would go through 20 would be infinitesimal compared with the amount that was intended to go through the perforations in D? A. Yes.

Q. So that you might dismiss as almost negligible the effect of the air that would enter through 20 for atomization purposes?

A. There would be a proportion there with which that air would function, would work. [103—68]

Q. But so far as the action on atomization, it would be negligible?

A. Well, I would not say negligible; no.

Q. You would have the oil passing out through the perforations of cup E or out of the cup E traveling in a direct line in opposition to the air that is entering through the perforations of the wall of D, wouldn't you? A. Yes.

Q. And that would not be in toward the furnace?

A. No, that would be toward the center.

The COURT.—I don't think this witness made any particular explanation of this patent, further than to say it had the power shaft carrying an oil cup and fan. You are trying to use him as an expert on air. He did not say anything about that perforation.

Mr. TOWNSEND.—This goes to the operation of the burner, itself, your Honor.

(Testimony of Herbert L. DeLaney.)

Q. The fan that you see in this Mack patent is of relatively small diameter, with respect to its width? A. No.

Q. It is relatively wide with respect to its diameter. Does that meet with your approval?

A. That is a matter of opinion what the relationship would be between the width and diameter.

Q. As contrasted with plaintiff's and defendant's device, my statement is correct? A. Yes.

Q. You observe that the paddle fan that they have in here causes the air to escape through a comparatively small opening in the periphery?

A. Yes.

Q. And this air that is set in motion by the fan, escaping through the apparently small orifice 7, escapes into a relatively large air trunk?

A. Yes.

Q. And then is carried forward and distributed as you described into and through cylinder D?

A. Yes.

Q. Now, as a matter of fact, do you consider the Mack device a [104—69] very practical one?

A. Well, as the air discharges through port 7 into that large area there, means a slowing up of the velocity of the air, and that means killing or lessening the friction.

Q. As a matter of fact, neither you nor the plaintiff desire that in your device: Is that true?

A. If they were to utilize a larger space there they would slow up the velocity and lessen the friction of the air. I would say it was a desirable feature.

(Testimony of Herbert L. DeLaney.)

Q. It would not serve the purpose, however, of either the plaintiff or defendant in their machines, as you construct them?

A. Well, they do not do it; why, I do not know.

Q. You do not get that action, do you? A. No.

Q. With regard to the cylinder and perforated cup of Mack, would you, as a practical oil man, consider that a practical construction?

A. For a light oil.

Q. For a very light oil? A. Yes.

Q. That had no carbon deposit at all.

The COURT.—Once more, I do not understand that the defendant has introduced these patents on their merits, or as illustrating the likeness between these patents and the others that are in suit, on their own device, other than certain points of resemblance, and I do not see any necessity for going into this cross-examination, whether it is a practical device or not. He has simply pointed out, as the Court remembers the testimony, that it shows some of the factors that enter into your device and the defendant's.

Mr. TOWNSEND.—I would like to say that a patent introduced for one thing may be received for everything.

The COURT.—That is true, but, again, we have a rule with respect to cross-examination. You may show by your own witnesses [105—70] whatever you desire as opposed to their claim.

Mr. TOWNSEND.—I think I can shorten it.

Q. Now, in the Hamman patent, No. 563,483, that is not an oil burner device at all? A. No.

(Testimony of Herbert L. DeLaney.)

Q. It is simply a so-called smoke consumer?

A. That is all.

Q. With a rotary device for discharging some sort of a blast into a furnace for the purpose of aiding in combustion? A. Yes.

Q. The Thom patent No. 668,236, I understand that was offered simply as showing a swivel joint for an oil burner? A. Yes.

Q. Movable toward and from a furnace front? A. Yes.

Q. It is a straight shot burner and not a rotary burner in any sense? A. Yes.

Q. Anderson, No. 719,716, is another type of straight shot burner? A. Yes.

Q. And I believe you described that the steam came through one of the hinges and the oil came through the other? A. Yes.

Q. That is the only resemblance that patent bears to the device of either the plaintiff's or defendant's patent in suit? A. Yes.

Q. Now, in Gibbs, 752,900, I understood you say that this had a cup. Will you indicate what the part is that you would call a cup?

A. I would call M a cup.

Q. That is nothing but a straight, flat disc, is it?

A. It is a rotary or atomizing plane.

Q. It is a plane horizontally disposed disc with an oil feed up through the middle? A. Yes.

Q. Not a cup at all?

A. No, it would not be called a cup.

Q. I had an idea that your use of that was in-

(Testimony of Herbert L. DeLaney.)

advertent in calling it a cup. This is driven by a steam turbine, is it? A. Yes.

Q. The steam entering at H? A. Yes.

Q. And impinging on runner blades on the turbine wall G: Is that not correct? A. Yes.

[106—71]

Q. And that steam would be generated from some independent, separate source? A. Yes.

Q. Consuming the power and utilizing the heat that you are supposed to generate from this burner?

A. Yes.

Q. What would be the character of the flame that might be produced in this Gibbs burner with this horizontal blade M: wouldn't that be more or less of a saucer shape?

A. It would be a flaring saucer, you might call it, not a flat plane, but a plane that would be possibly an angle of 30 degrees.

Q. Not like the flame that either the defendant or the plaintiff has? A. No, neither one.

Q. The Gordejeff patent, No. 764,718, I understand that illustrates, merely, another type of swivel straight shot burner? A. Yes.

Q. You referred to a conical lining in the fire-box there. A. Yes.

Q. That, however, is a fixture in the furnace, and independent of any of the burners shown?

A. Yes.

Q. Hamman, No. 799,560, that is merely an air blower, turbine air blower, is it not? A. Yes.

Q. And is not the term "induced draft" improper

(Testimony of Herbert L. DeLaney.)

erly used in the patent there? It really ought to be "forced draft," shouldn't it? A. In either way.

Q. That is a turbine forced draft apparatus?

A. Yes, turbine forced draft apparatus.

Q. There is no oil burner of any kind shown?

A. No.

Q. Referring to Johnson, No. 1,009,525, of November 21, 1911, is that anything more than a mere paddle wheel, looking at Fig. 2, revolving in a casing, and that the oil is brought by pipe 57 against the blade of the paddle wheel and broken up in that way? A. Yes. [107—72]

Q. And mixed with whatever air comes along the conduit? A. Yes.

Q. Now, take Britten, No. 1,022,122, that is a water turbine type of burner, is it not? A. Yes.

Q. Used for small installations in stoves and the like? A. Yes.

Q. And the water is admitted through the pipe 14: Is that correct? A. Yes.

Q. The oil supply pipe is 13, and water supply pipe is 14. A. Yes.

Q. By means of this water jet through pipe 14 impinging against a turbine wheel, you set the little spreader blade 8 in motion? A. Yes.

Q. And some air current is induced? A. Yes.

Q. That is not a cup in any sense?

A. No, it is not.

Q. It is simply a flat head corrugated. Coming to Fesler, 1,026,663, is it not a fact that in this type of apparatus and also in the Becker patent

(Testimony of Herbert L. DeLaney.)

here, defendant's predecessors, the atomization is shown to be largely by centrifugal force, and not by any mechanical action? A. In Fesler, yes.

Q. I see that is emphasized in lines 75 to 92 of his specifications. In Fesler there was produced a substantially saucer-shaped flame? A. Yes.

Q. I believe that was illustrated in a pamphlet that was introduced? A. Yes, sir.

Q. In connection with Fesler I call attention to the Becker patent, 1,101,799, of June 30, 1914: Would not that show that the Becker type of apparatus there and the Fesler type just referred to were quite alike? A. No.

Q. They were both vertical rotary centrifugal burners, were they not?

A. That is, they both have the rotating cup and the fan on the same shaft, but the angle of the cup is entirely different.

Q. There is some variation, you would say, in the angle of the [108—73] cup?

A. In the angle of the cup, and the angle of the discharge nozzle.

Q. In what way do you mean?

A. On Becker's patent the air is discharged almost parallel to the shaft that carries the cup, diverging off only a few degrees, and that is all.

Q. You recall that the Becker device, as constructed, produced likewise a saucer-like flame?

A. That would depend entirely on the speed at which they carry the fan.

Q. In actual practice, the burners which the

(Testimony of Herbert L. DeLaney.)

American Standard Company manufactured did produce a saucer-like flame very much like the Fess flame, did they not? A. No, it was straighter.

Q. Your recollection is that it was straighter?

A. Yes. On the Fess, the oil is at right angles to the shaft, and on the Becker it is going up considerably.

Q. I will show you an enlargement, from the defendant's predecessor's catalog or about that time, in which you can see one of the defendant's predecessor's vertical rotary burners with a saucer-like shaped flame; you recognize that, do you not?

A. Yes, that is King's patent.

Q. You believe that that is the King patent?

A. That is the King patent.

Mr. TOWNSEND.—I ask that this first enlargement I have referred to be marked Plaintiff's Exhibit 16. That same cut, your Honor, appears in the little circular the defendant offered.

Q. I show you an enlargement taken from one of the defendant's predecessor's catalogs of a Simplex standard rotary, marked "Patented June 30, 1914," and I ask you if you recognize that, either from the Becker patent or a Standard Simplex burner of approximately that date? A. That is the King.

Q. You believe still that that is the King design? That does not, however, correspond with the King patent, does it? A. No. [109—74]

Q. Do you know what patent it does correspond to? A. Becker's.

Q. Does not that show a saucer-shaped flame?

(Testimony of Herbert L. DeLaney.)

A. It does.

Mr. TOWNSEND.—I ask that that enlargement be received in evidence and marked Plaintiff's Exhibit 17.

Q. When you say the King design, you refer to the King patent of October, 1915, which is in evidence and set up in the defendant's counterclaim?

A. Yes, sir.

Q. The distinguishing feature between the King patent and the Becker patent which you have referred to is in the omission of the top, the cover, which is marked 12, 14, 15 of Becker, June 30, 1914: Is that not true? A. No.

Q. What other distinguishing features would you say King has over Becker other than in the omission of the cover to the cup?

A. The direction or angle of the atomizing cup or edge of the periphery of the blade.

Q. In what respects, and in which?

A. On the King the atomizing blade is at right angles to the shaft, throwing your oil at right angles to the shaft, a straight, rotary direction; in the Becker patent the oil is led off, you might say, like a bell, a short chime on a bell; the current of air is parallel to the sides of that cup, it only diverging by a slight angle.

Q. What effect would that have?

A. It will throw a comparatively straight fire, almost a pillar of fire.

Q. In other words, you believe that the Becker device, as shown in this patent of June 30, 1914,

(Testimony of Herbert L. DeLaney.)

is capable of giving a flame that is of deeper saucer-like character than the King?

A. By giving sufficient speed on that fan, you can throw a pillar of fire. The stronger the current of air the straighter the fire would be.

Q. As a matter of fact, was that the desirable sort of flame under a boiler or in a stove where you have a vertical device? [110—75]

A. I believe that that is what Mr. Becker states in his specifications.

Q. Of course, whatever is stated there we will accept as his purposes and his reasons at that time; but, stating it now as the environment in which a device of the Becker type would go—

The COURT.—Just a moment. I think you are getting altogether away on your cross-examination. You are losing sight of what he testified to in chief. This is not proper at this time.

Mr. TOWNSEND.—Very well, your Honor, I will pass that matter.

Q. Referring to Fesler, No. 1,113,108, what have you to say in comparison with the distribution of oil and the form of the flame, either compared with the Becker patent or the King patent?

A. It is on parallel lines to the King patent.

Q. It is more like the King? A. Yes, sir.

Q. In other words, it produces a more or less true saucer-like flame? A. Yes, sir.

Q. Now, referring to Becker, 1,095,447, of May 5, 1914, what part did you refer to when you spoke of a centrifugal oil distributor as being on the same shaft with the fan?

(Testimony of Herbert L. DeLaney.)

A. I should possibly have said "mechanical distributor."

Q. Then that was not an apt term to use in that regard? A. No.

Q. As a matter of fact, all the Becker patent does is to create a blast of air by the fan, 8, to pick up such particles of oil as may be splashed up by the splashing gears, 4, 6: Isn't that right? A. Yes.

Q. You have no knowledge of any such device as this Becker patent ever having been put into use, have you? A. No.

Q. Now, another patent which we passed over, the Gordin patent, 1,085,334, of January 27, 1914, isn't that another type of turbine operated upon a blast of air from some external source [111—76] to certain parts in rotation?

A. No, that is operated by a steam turbine.

Q. By a steam turbine? A. Yes.

Q. Yes, I see that you are correct. That is a turbine type. Is the steam pipe 15?

A. Yes, it is 15.

Q. That is set in motion by a steam turbine?

A. Yes.

Q. Do you see any oil-distributing cup in the proper sense there?

A. No, it is not exactly a cup, but you have a rotating member there for distributing the oil.

Q. The Britten patent, 1,102,387, of July 7, 1914, is a water turbine pump type, is it not? A. Yes.

Q. With the water supply at 38 impinging upon the buckets 35 to set the parts in rotation?

(Testimony of Herbert L. DeLaney.)

A. Yes.

Q. And you have no cup proper, but you have a saucer-like distributor 4 at the top?

A. Yes, a corrugated saucer-shaped member there.

Mr. TOWNSEND.—Your Honor, as to the other patents, one relates to an air superheater, and the other two patents relate to vacuum cleaners, and I do not think we are at all interested in those.

Q. Do I understand, Mr. De Laney, that you class the Fesler patents and the plaintiff's patents in suit as being the same principle in mode of operation, the same general type or specific type?

A. Which do you mean?

Q. The Fess steam pipe patents which are in evidence, and the plaintiff's patents. A. No.

Q. You do not put those in the same category?

A. No.

Q. Neither, I suppose, do you put the Becker patents in the same category with the plaintiff's patents? A. I would.

Q. You would? A. Yes, sir.

Q. Although they are vertical burners with the tops or covers [112—77] on the oil-distributing cups? A. Yes.

Q. In what way?

A. Because the lines of Becker's cup and the lines of his nozzle controlling his air discharge would permit of the burner carrying a pillar of fire, developing a pillar of fire.

Q. Your opinion is that so far as certain results

(Testimony of Herbert L. DeLaney.)

may be accomplished in Becker, that those two are alike? A. Yes.

Q. I mean Becker and the plaintiff's? A. Yes.

Q. Do you consider that they are alike as to construction in the use of a fan of relatively large diameter, high velocity type?

A. You can get your velocity from a smaller fan by giving it the speed.

Q. Do you consider that the Becker patents and the plaintiff's patents are alike in any respect whatsoever, except that you believe Becker can produce a flame approaching a pillar of fire? A. Yes.

Q. In what respect do you think they are alike?

A. Because the angle of the cup and the angle of the air discharge nozzle with the fan rotating at sufficient speed to give you the requisite velocity of your air would give you an elongated or pillar of fire.

Q. In the general mechanism—

The COURT.—I think the Court will stop this cross-examination. I have repeated time and again that this witness has introduced and has done no more, scarcely, than to identify these patents, and to point out that this one contains a cup and that this one contains a hollow shaft, etc., and that is all. We are not going to hear his opinion as an expert on cross-examination. Your cross-examination is not following the line of the direct examination; it is simply consuming time to no purpose. You will have an opportunity to dissect these [113—78] patents by your own witnesses. If his statements

(Testimony of Herbert L. DeLaney.)

are inaccurate and they do not show these points of resemblance, the patents will show for themselves.

Mr. TOWNSEND.—I have one further point, your Honor. I trust I am within my right of cross-examination if what I gather from this witness' testimony is the approach of the various patents to the plaintiff's patents. May I ask him one other question.

The COURT.—Yes.

Mr. TOWNSEND.—Q. Haven't you recently written an article in which you have described your opinion of the development of oil burning on the Pacific Coast, and touched upon the art of rotary oil burners? A. Yes.

Q. Such article appears in the May, 1923, issue of "Fuel Oil," Vol. 1, No. 11, at pages 13, 14 and 15? A. Yes, sir.

Mr. WHITE.—I don't think that is proper cross-examination now, your Honor please, because all this witness has testified to on direct is perfectly obvious to the ordinary layman.

The COURT.—Let him put his question and we will see. Proceed, counsel.

Mr. TOWNSEND.—Q. You identify that as your article? A. Yes.

Mr. TOWNSEND.—I offer it, your Honor, as admissions against interest and—

The COURT.—Is this witness a party to the action?

Mr. TOWNSEND.—He is the vice-president of the defendant company.

(Testimony of Herbert L. DeLaney.)

Mr. WHITE.—I don't see the relevancy or the competency of the pamphlet.

Mr. TOWNSEND.—Admissions against interest, and in contradiction of much of the testimony this witness has given in testifying to similarities, etc. I offer these three pages, [114—79] 13, 14 and 15, and will supply a photostat of those pages. I ask that it be received as Plaintiff's Exhibit 18.

Mr. WHITE.—Objected to as immaterial, irrelevant and incompetent.

The COURT.—It will be received over the objection; if entitled to no consideration the Court will give it none.

Mr. TOWNSEND.—That is all.

Redirect Examination.

Mr. WHITE.—Q. On cross-examination you stated that the defendant was making a turbine type of burner; I will ask you to state whether that type of burner is disclosed in this October 1, 1921, Bulletin, and if so, just as briefly as possible, describe that type. A. Yes, it is—

The COURT.—What is the object of this?

Mr. WHITE.—The object of this, your Honor please, is simply to show that most of the business of the defendant corporation is in respect to this turbine type, and not in respect to this type, thereby showing that this rotary type here in question has no particular value except as mere matter of design; it has no function in superiority or efficiency.

The COURT.—If it ever comes to the point

(Testimony of Joseph H. King.)

where there will be an assessment of damages that might be material; it is not now.

Mr. WHITE.—I want to offer it in evidence on the question of invention, on the question of mode of operation. This Turbine type is a different device with respect to having the motor and the fan located at a point remote from the motor head—

The COURT.—But you are on redirect now. The Court interposes its own objection. There must be some adherence to the rules of evidence in the examination of the witnesses. Anything [115—80] further on redirect?

Mr. WHITE.—Not on redirect. If the point of your Honor's ruling is that it is not redirect, I will ask permission to ask it as part of my direct examination.

The COURT.—No, call your next witness.

Mr. WHITE.—We note an exception.

TESTIMONY OF JOSEPH H. KING, FOR DEFENDANT.

JOSEPH H. KING, called for the defendant, sworn.

Mr. WHITE.—Q. State your name, age, residence and occupation.

A. Joseph H. King; 1043 Sixth Avenue, Oakland; occupation at present, President and General Manager of the Marchant Calculating Machine Company, Oakland.

Q. State whether or not at any time you were con-

(Testimony of Joseph H. King.)

nected with the oil burner business, and, if so, in what capacity and in what connection?

A. In the early part of 1911 I bought from Mr. Julius Becker a half interest in what was then known as the water method oil-burning patent. Under my arrangement with him—

Q. Don't go into any details, Mr. King.

A. The American Heat & Power Company was formed and the patents turned over to them, and from that time on until some time in 1915 I was connected with the oil burner business.

Q. What type of oil burner did the American Heat & Power Company build during that period?

A. In the early part, what was known as the water method oil burner, an oil burner burning oil in a Dutch oven, a down draft furnace.

Q. State whether or not prior to March 20, 1914, the American Heat & Power Company was manufacturing and selling here in California the burner disclosed in this Bulletin No. 1, which has been marked Defendant's Exhibit "DD."

A. To the best of my knowledge they were.
[116—81]

Q. State whether or not during this period you alone, or in conjunction with anyone else, devised any specific type of oil-burning apparatus?

A. In 1911 Mr. Becker and myself made and operated a straight-shot rotary oil burner, having a motor, a fan, a pump, and an atomizing cup, and a means for getting the oil into the cup and returning the surplus to the tank.

(Testimony of Joseph H. King.)

Q. What use was made of that device?

A. We were making a test of the principles involved.

Q. What became of that device?

A. The model was made, tested, and the principle involved, or, rather, the principles involved, proven to our satisfaction. We certified to this experiment or test before a notary, put the model away, and continued with the work in which we were engaged, intending at a later date, when our business would permit, to put them into production.

Q. I hand you a drawing, accompanied by a typewritten statement acknowledged before a notary public, and ask you if you can identify this drawing, and, if so, please do so.

A. I made the drawing, I signed the drawing in the presence of three witnesses on the 3d day of August, 1911, and signed the affidavit attached.

Q. In connection with the device which you have just described as having been made by you, what does this drawing illustrate?

A. It illustrates a motor, and a pump, and a fan, and the atomizer—

The COURT.—Q. Did I understand you to say you patented this?

A. We did not get a patent out at that time.

Mr. WHITE.—Q. Does this drawing disclose the device which you have heretofore described as having been made over there?

A. This discloses the device which we made, with the exception of the controls, which we subsequently

(Testimony of Joseph H. King.)

used or used at that time in regulating the volume and the velocity of air in order to [117—82] bend the oil flame into proper shape for use.

Q. Whose signature is this above yours?

A. Julius H. Becker.

Q. Is he the man who worked with you in making this device?

A. He worked with me in making the tests.

Q. And did you and Mr. Becker sign this type-written statement attached to this drawing before the notary public whose name appears here on the certificate, and on the date that the certificate bears?

A. Yes.

Mr. WHITE.—I offer this drawing and the annexed statement in evidence and ask that it be marked “Defendant’s Exhibit ‘EE,’ King-Becker drawing.”

Mr. TOWNSEND.—I object to it as not sufficiently proven or identified, or its custody accounted for.

The COURT.—It bears the signatures, and all that. The objection will be overruled. Proceed with the witness.

Mr. WHITE.—Q. Describe this atomizing cup disclosed in this drawing.

A. The atomizing cup was made in the form of a deep cup, the oil admitted at the rearward end; the shape and pitch of the side walls being designed in such a manner as to retard the flow of the oil from the point of intake to the point of discharge a sufficient time so that the absorption of reflected

(Testimony of Joseph H. King.)

heat would reduce the viscosity of the oil and cause the point of ignition to take place immediately upon the discharge from the periphery.

Q. What was the nature of this air control means which you state you and Mr. Becker used in connection with this device when tested by you in 1911?

A. A collar around the fan with inserts designed to reduce both the velocity and the volume to a point where the air could be directed in sufficient velocity around the flame to turn it out in a pillar-shaped flame. [118—83]

Q. I show you a device and ask you to identify the same if you can.

A. That is the device with which we carried on the test.

Q. In the year 1911? A. In the year 1911.

Q. Is this the device illustrated in the drawing just put in evidence?

A. That is the device illustrated in the drawing, without the collars on the front which reduced the discharge area.

Q. State whether or not the interior of this cylinder indicates an insertion therein of any such collar?

A. I think it shows where they were slipped in on the inside.

Q. Where was this device kept after these tests made by you in 1911?

A. It was put with our models at that time and subsequently in the vault.

Mr. WHITE.—I offer this model in evidence and

(Testimony of Joseph H. King.)

ask that it be marked "Defendant's Exhibit 'FF,' King-Becker 1911 device."

Mr. TOWNSEND.—Objected to as irrelevant and immaterial.

The COURT.—Q. Is all of it here?

A. All of it except the motor and the fan. A conventional motor and a conventional fan were used.

Mr. WHITE.—In other words, it is a complete atomizing cup, but without the motor and without the fan.

The COURT.—It will be received over the objection, and if entitled to no consideration it will be given none.

Mr. WHITE.—Q. I hand you a publication entitled, "Handbook for Architects and Heating Engineers, Copyrighted in 1914," and ask you to state whether you can identify the same, and, if so, when the same was published?

A. I can. It was gotten ont sometime in 1914.

Q. The copyright certificate issued therefor is attached thereto is it not?

A. Yes, the copyright certificate was issued and is attached. [119—84]

Mr. WHITE.—I offer this pamphlet in evidence and ask that it be marked Defendant's Exhibit "GG."

The COURT.—What is the object of it?

Mr. WHITE.—The object of it, if your Honor please, is to disclose the type of burner manufactured prior to that date by the American Heat & Power Company, the same being illustrated in the

pamphlet, and showing the oil returned to this source of supply—in other words, to take care of the surplus.

Mr. TOWNSEND.—You mean prior to the date of copyright, November 20, 1914?

Mr. WHITE.—I mean prior to that time.

Mr. TOWNSEND.—It is apparent, your Honor, this has no disclosure in this catalog of any such device as referred to by the witness, it having been made and designed in 1911. There is no objection, however, to the catalog.

The COURT.—What is the object of it?

Mr. WHITE.—The object of it is to show the fact that the American Heat & Power Company was then manufacturing the burner illustrated in the pamphlet.

The COURT.—That is, you are trying to show that the oil pump return feature was then known?

Mr. WHITE.—That is it, your Honor, that it was an old feature, well known in connection with oil burners at that time.

The COURT.—That is the only purpose you have?

Mr. WHITE.—That is about all.

The COURT.—It may be admitted. It is hardly necessary to encumber the record with that, though. If not entitled to any consideration the Court will give it none in making up its decision.

Mr. WHITE.—The patent in suit is built up on such features as that, your Honor, and I want to show that that is a very old feature. [120—85]

(Testimony of Joseph H. King.)

Mr. TOWNSEND.—Your Honor appreciates that that does not show the 1911 structure. That is the point I want to emphasize.

The COURT.—I understand it.

Mr. TOWNSEND.—We have no objection to the catalog.

Mr. WHITE.—Q. State whether or not this drawing which has been offered in evidence was made in accordance with any scale?

A. It was not made to scale.

Q. Was it a working drawing?

A. It was not a working drawing. It was merely made to show the location of the conventional features—the pump, the fan, the controlled atomizer, and with an apparatus for controlling the velocity and the direction of the air.

Q. With what success was this device tested in 1911, what was the result of the test?

A. It was successful.

Mr. WHITE.—That is all.

The COURT.—Cross-examine.

Mr. TOWNSEND.—Your Honor, may I have a moment to examine this drawing? I have never seen it before.

The COURT.—Yes, but proceed rapidly with the cross-examination.

Cross-examination.

Mr. TOWNSEND.—Q. We are not to understand, Mr. King, that you ever applied for a patent to cover the structure which you state is disclosed in this drawing of August, 1911?

(Testimony of Joseph H. King.)

A. Subsequently we applied for a patent and received a patent, including the same elements, the rotating cup discharged into the interior of the furnace in a vertical manner, and—

Mr. TOWNSEND.—Just a moment. I move that the answer be stricken out as not responsive.

The COURT.—Let it be stricken.

Mr. TOWNSEND.—Q. Did you ever apply for a patent on this [121—86] structure as disclosed in this drawing?

A. I don't remember—I did not.

Q. You did not? A. No.

Q. Did anybody else have any right to apply for a patent besides yourself? I understood you were the inventor of it.

A. I don't exactly understand what you mean. Who do you mean by "anyone else"?

Q. Did you authorize anyone to apply for a patent? A. I did not.

Q. So far as you know, no patent was ever applied for on this structure of August, 1911?

A. At that particular time.

Q. At that particular time, or at any time?

A. No.

Q. The only patent you have, Mr. King, is the patent of October, 1915, which is set up by the defendant in its counterclaim: Is that not true?

A. The only patent which was taken out in my name was the patent on the device with the open cup—according to the best of my recollection.

(Testimony of Joseph H. King.)

Q. What we know as the King patent, 1,158,058, of October 26, 1915?

A. It is known as the King patent, yes.

Q. And that patent was apparently not applied for until March 23, 1914? A. That is right.

Q. Now, during the interim, between March, 1914, and August, 1911, your company was actively engaged in the oil burner business, was it not?

A. It was.

Q. You were making and selling oil burners?

A. The company was.

Q. Yes, the company was. And they were burners first of the type you described as the water type? A. The water method.

Q. Such construction being illustrated in this enlargement from one of the company's catalogs: Is that correct? A. That was the first burner.

Mr. TOWNSEND.—I offer this in evidence and ask that it be [122—87] marked Plaintiff's Exhibit 19.

Q. Thereafter, you manufactured a burner of the vertical rotary type, first with a head on it such as is shown in the Becker patent which is in evidence, 1,101,779, of June 30, 1914: Is that right?

A. The company did.

Q. And then subsequently you manufactured the burners of the type illustrated in the King patent before mentioned? A. It did.

Q. And these illustrations from your company's catalog, Exhibits 16 and 17, illustrate such characters of burners then put out?

(Testimony of Joseph H. King.)

A. They were being manufactured then and sold.

Q. For how long a time, if you recall, were such burners of the vertical horizontal type, continued to be put out?

A. I don't recall the exact period, because I was never very active in the business.

Q. As late as 1915 you were actively promoting, or rather, your company was, the sale and distribution of such vertical rotary burners of the King and Becker type? A. The company was.

Q. And, as a matter of fact, it was not until near the close of the Exposition, about October, 1915, that you came out with a rotary burner of the modern type and the Simplex type—the Simplex corresponding to Plaintiff's Exhibit 1?

A. I could not tell you the exact date, but I do know that a burner of this type was arranged to be produced in chronological order, and when the time came it was produced.

Q. And that production came, as I say, toward the latter part of 1915?

A. I am not familiar with that date.

Q. The first burner that you put out, of this horizontal Ray type, such as shown in the advertisement of the American Standard Oil Burner Company, appearing on the inside of the back cover of the "Architect and Engineer of California," for November 1915, like that shown in this illustration--

A. Let me say that I [123—88] was not actively interested in the business at the time, but to the best of my recollection the first straight-shot burner offered on the market was of that type.

(Testimony of Joseph H. King.)

Q. And at about this time?

A. What time is that?

Q. About November, 1915.

A. As to whether it was first offered at that time, I cannot answer.

Q. So that in the meantime, between the appearance of this horizontal burner on the market in the fall of 1915, or at some other time which you do not remember, and August, 1911, when you say you first conceived that idea, you did practically nothing toward putting it into practice, did you?

A. What do you mean by putting it into practice—manufacturing it and selling it?

Q. Yes. A. We did not.

Q. All you did was to make this drawing which is here in evidence and to make the model, a fragment of which is here in evidence, offered on your direct examination.

A. And ultimately took out this patent which we conceive; included all the elements of them.

Mr. TOWNSEND.—I move that all after the word “ultimately” be stricken out as the conclusion of the witness, a legal conclusion.

The COURT.—You are limiting your question to what?

Mr. TOWNSEND.—That all that he did in putting the horizontal rotary burner into practice between August, 1911 and the fall of 1915, or at such other time, was the making of that drawing and the making of this model, a fragment of which is in evidence.

(Testimony of Joseph H. King.)

The COURT.—All right, limit your answer to that, witness.

A. We did not manufacture it and sell it during that period.

Mr. TOWNSEND.—Q. All you did was to make the drawing and the model here in evidence?

A. And to carry on further tests [124—89] during that period.

Q. You have not described any further tests. You said you put that device in the safe. How long did it remain in the safe? A. I could not answer.

Q. Do you know when it was taken from the safe?

A. I could not answer.

Q. Was it resurrected from the safe for the purpose of this suit?

A. I could not answer that because I have not been intimately connected with the business for five or six years.

Q. When did you last see this model before it was offered in evidence here to-day?

A. Probably five years ago.

Q. Was it in the safe then?

A. It was in the safe.

Q. And where was the drawing?

A. In my safe.

Q. And how long did it remain in your safe?

A. Until I delivered to Mr. Scott of the American Heat & Power Company.

Q. How recently?

A. I cannot answer that now, but I have Mr.

(Testimony of Joseph H. King.)

Scott's receipt for it and I can give you the exact date.

The COURT.—Q. Give it approximately; was it a year or two ago?

A. Probably two years ago.

Mr. TOWNSEND.—I don't know that I offered that advertisement in the "Architect and Engineer," on the inside of the cover of the back page. I will ask that it be marked Plaintiff's Exhibit 20. That is all.

The COURT.—Any redirect?

Mr. WHITE.—No, your Honor.

The COURT.—Your next witness.

TESTIMONY OF JULIUS H. BECKER, FOR DEFENDANT.

JULIUS H. BECKER, called for the defendant, sworn.

Mr. WHITE.—Q. State your name, age, residence and occupation.

A. Julius H. Becker; 547 Steiner street, San Francisco; [125—90] mechanical engineer.

Q. Were you ever at any time connected with the American Heat & Power Company?

A. I was from the very beginning.

Q. Where was their place located?

A. At Seventh and Cedar Street, Oakland.

Q. During what period of time were you connected with that company, and in what capacity?

A. From the very beginning, which was the early part of 1911, until the early part of 1914.

(Testimony of Julius H. Becker.)

Q. State whether or not during that period you and Mr. King ever devised any oil burner apparatus, and if so when was it?

A. We first had the water method oil burner, and next we experimented with and tested the horizontal burner.

Q. You have been present during Mr. King's examination, have you not? A. I have.

Q. I refer you to this drawing, and ask you to state when the same was made, and whose signatures appear thereon, and in connection with what incident that drawing was made?

A. It is signed by myself, Mr. King, and dated August, 1911, and in the presence of H. F. Claridge—

The COURT.—You needn't mind the other names. That is Exhibit "EE"?

Mr. WHITE.—Yes, your Honor.

Q. State whether or not you and Mr. King acknowledged the signatures to the statement attached to this drawing at about the time that the drawing was made? A. Yes, sir.

Q. You acknowledged them before a notary public? A. Yes, sir.

Q. And does the description set forth in that statement refer to the annexed drawing?

A. It does.

Q. What was the nature of the device which you and Mr. King made and which is illustrated in this drawing, and what did you and Mr. King do with it, and with what results?

(Testimony of Julius H. Becker.)

A. It was a [126—91] combination of an electric motor and oil pump, gear driven, the horizontal shaft directly on the motor, a fan, a bearing, an oil cup, and an oil supply pipe entering the cup in the rear, surrounded by a horizontal shell.

Q. I show you Defendant's Exhibit "FF," and ask you to state whether or not this forms a part of the device illustrated in this drawing, and which device you say you and Mr. King made at that time in 1911? A. It is; I made it myself.

Q. What portion of the device is contained in this exhibit?

A. The shaft, the bearing, the oil cup, the oil supply line, and the surrounding shell.

Q. What tests, if any, did you make with this device?

A. It was actually installed in the furnace, fire-brick-lined, and it was in actual operation.

Q. With what success?

A. It worked very good, very good success.

Q. In connection with this cylinder surrounding the oil cup, did you or did you not use any means for controlling the air?

A. Yes, there were flanges of different diameters used.

Q. Where was the main flange used?

A. It was on the outside, here, with different holes in it, allowing the outlet for the air to be larger or smaller.

Q. What was the effect of enlarging or of re-

(Testimony of Julius H. Becker.)

ducing the area of the air outlet around this nozzle at the time you made the tests?

A. The larger the hole in the flange, the more air passes, and the more the flame would spread.

Q. In the shape of a saucer? A. Yes.

Q. In other words, the larger the hole the more air and the greater the diameter of the flame?

A. Yes, sir.

Q. Where has this device been, so far as you know, and what was done with the device after you and King made this test? [127—92]

A. It was stored away in a place we had over in the office. We kept the drawings there. They were there so far as I know when I left in 1914.

Q. State what was the practice during the year 1911 with regard to these oil burners, in respect to having oil pumps operating therewith, and having a return oil conduit to the source of supply, to take care of the surplus oil.

A. In 1911 it was the law of the fire marshal in San Francisco that he would not allow an installation unless you had a return flow of your oil through the pump; in other words, we used a motor and an oil pump which we by-passed to return the surplus of oil not used by the burner.

The COURT.—Any further direct of this witness?

Mr. WHITE.—That is all.

The COURT.—Cross-examine.

Cross-examination.

Mr. TOWNSEND.—Q. How recently before go-

(Testimony of Julius H. Becker.)

ing on the stand had you seen the drawing you have just testified about having made back in 1911?

A. I saw it the last time last night.

Q. How long before that had you seen it?

A. I have seen it within the last year, I could not tell the exact date.

Q. In Mr. White's office? A. Yes.

Q. Within the last three months?

A. No, it was closer to a year than to three months.

Q. You think it was a year ago you saw it?

A. I think so, approximately; as I say, I could not tell the exact date.

Q. Couldn't you tell us the month?

A. I say approximately a year ago; that is as close as I can come to it.

Q. Do you think some time last March?

A. It may have been ten months ago, it may have been nine months ago, it may have been eleven months ago. I can't recollect. [128—93]

Q. In what connection did you see it then?

A. You say in what connection?

Q. Yes, for what purpose?

A. We simply talked about it.

Q. Did you know nine months ago or a year ago that you were going to be a witness in connection with this matter?

A. Yes, I had an idea I would be a witness.

Q. Had the matter of the drawing been discussed at that time—nine months ago, or a year ago?

A. I had not seen the drawing for over 12 years,

(Testimony of Julius H. Becker.)

and naturally to refresh my memory on this drawing, I saw at that time.

Q. When did you see the model last before testifying here to-day?

A. The model I also saw in Mr. White's office perhaps two months ago.

Q. Prior to that when had you seen it last?

A. When it was stored away.

Q. When was it stored, according to your recollection?

A. It was stored on top of the office which we used as a place to keep our models.

Q. Do you know where the drawing had been prior to the time it was shown to you a year or so ago?

A. When the drawing was signed, Mr. King had it and he kept it in his possession.

Q. And you had never seen it from that day until comparatively recently?

A. From the day it was signed, no, I had not.

Q. And similarly with respect to the model?

A. The same thing.

Q. Does that model appear in identically the same shape as it was when you last saw it twelve years ago? A. It does.

Q. Had it been dismantled at the time you put it away twelve years ago? A. No, sir.

Q. Then would you say it is identically in the same condition it was in twelve years ago?

A. It appears to be identically the same thing.

(Testimony of Julius H. Becker.)

Q. What had been dismantled at the time you put it away?

A. The motor had been taken off, and the pump, and also the different flanges that gave the different air outlets.

Q. To make that clear, had those been taken away at the time it was stored away?

A. That I cannot say.

Q. I am trying to find out whether or not you have an independent recollection of these occurrences in 1911, or whether you have been relying for your recollection on this sheet of paper and on the model?

A. The only reason why I have seen the drawing again was as regards the date; naturally, I could not recollect the date.

Q. Do you recall Mr. James M. Abbett, of my office, calling upon you last November at your residence here in San Francisco and asking you in regard to some alleged early work in 1911?

A. He called on me and asked me if I would be a witness, and I told him yes I would be ready to testify to exactly what I knew about it at any time.

Q. Do you recall when that visit took place?

A. Yes, it was right in front of my residence.

Q. I say when.

A. I don't remember the time.

Q. Do you remember the month? A. I do not.

Q. You have no recollection now of when that was?

A. No. We had the conversation in my automobile.

(Testimony of Julius H. Becker.)

Q. And you don't know when that was?

A. No.

Q. Was that six weeks ago, or six months ago?

A. It is more than six weeks ago—

Mr. WHITE.—That is objected to, your Honor, as being entirely immaterial and irrelevant.

The COURT.—The objection is sustained.

Mr. TOWNSEND.—I am just testing his memory, your Honor.

The COURT.—Well, it is not vital enough for that. [130—95]

Mr. TOWNSEND.—Q. Didn't you tell him you did not know what kind of a fan was used, or how it was applied or driven?

A. Naturally, it was not for me to tell your attorney or your man any information at that time.

The COURT.—Just a minute. Read the question to the witness. (Question read.) Now, state whether you did, or not.

A. I do not recollect. I do know that I did not give him any information.

Mr. TOWNSEND.—Q. Didn't you state that your reason was that you had not seen a drawing that you thought was made at that time, and it was so long that you had not any recollection at all?

A. No, I didn't say that.

Q. Wasn't that the substance, and didn't you tell him you could not remember any of the details?

A. My whole aim in that conversation was not to give—what is the gentleman's name?

Q. Mr. Abbett.

(Testimony of Julius H. Becker.)

A. Not to give Mr. Abbett any information which I considered was not due to him at that time?

Q. Mr. Abbett made clear to you at that time who he represented, didn't he?

A. Oh, yes, certainly.

Q. He didn't attempt to take any unfair advantage of you? A. Oh, indeed not.

Q. Don't you remember that you made a little drawing for him of all that you could remember?

A. I made a little sketch for him, yes.

Q. Can you reproduce what you think you drew for him?

The COURT.—Oh, no. If you have the paper to examine him about, let him see it. Have you the paper?

Mr. TOWNSEND.—I have not the actual drawing, your Honor. I have not the actual reproduction; he made it on a little piece of paper and put it back in his pocket.

The COURT.—Well, he can do that off the witness-stand; we [131—96] will not take the time to have it done here.

Mr. TOWNSEND.—Can I show him this sketch, your Honor? It is a sketch of what he drew.

The COURT.—Yes.

Mr. TOWNSEND.—Q. I show you a little sketch on the margin of this paper which I will have reproduced; is not that substantially the sketch that you drew for Mr. Abbett at that time?

A. I don't know. I don't remember what I sketched for Mr. Abbett. As I said before, my

(Testimony of Julius H. Becker.)

whole intent was not to give Mr. Abbett any information in regard to this drawing.

Q. And didn't you tell him that that was all you could remember of the construction?

A. I may have; I don't remember.

Q. Didn't he ask you if Mr. King had had anything to do with it and you answered, "Very little, although some suggestions might have been made by him during the experimental work"?

A. I may have said that. I don't remember.

Q. And you also stated to him, did you not, that you had no recollection of any complete operating device being put out on the market?

A. I left in the early part of 1914 and never had any more connection with the business, with the oil pumping business.

Q. But up to the early part of 1914, when you left, they had never sold any of these devices?

A. No.

Q. Where was this so-called test that you speak of conducted, the test of the model in its original form?

A. We had a yard about 50 by 150, right next to the building, and it was conducted outside in this yard. As a furnace, I used 110 gallon oil tank, or barrel, rather. It was fire-brick lined; one end was closed by fire-brick.

Q. In other words, you simply made a little furnace construction out there in the yard?

A. Yes. [132—97]

Q. You did not put this under a boiler for working purposes, did you?

(Testimony of Julius H. Becker.)

A. No, not a boiler. The furnace was built for the purpose of testing the burner.

Q. And no actual work was performed by any power generated therefrom? A. No, no work.

Q. Do you know what quantity of oil you used in connection with that device?

A. I knew then; I don't know now.

Q. You don't know what size motor you employed, do you?

A. If I recollect correctly, it was a one-half horse-power motor.

Q. Did you make any tests of air velocities or economies that might be effected?

A. Do you mean efficiency tests?

Q. Yes. A. No, sir, we did not.

Q. That furnace was shortly afterwards dismantled, too, was it, when you were through with your so-called tests?

A. The furnace was eventually dismantled; I could not tell you the time, though, I could not tell how long it remained after we were through with the tests.

The COURT.—Conclude with this witness and then we will suspend.

Mr. TOWNSEND.—Q. Did you feed the oil in this experimental device by pump or by gravity?

A. By pump.

Q. Was it a standard type of pump that you employed? A. It was a gear pump.

Q. A gear pump such as was well known and in use at that time for force feed?

A. It was a gear pump and gear driven.

Mr. TOWNSEND.—That is all.

Mr. WHITE.—That is all.

The COURT.—We will suspend until to-morrow morning at 10 o'clock.

(An adjournment was here taken until to-morrow, Thursday, March 13, 1924, at ten o'clock A. M.) [133—98]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

Before Hon. GEORGE M. BOURQUIN, Judge.

No. 689—IN EQUITY.

WILLIAM R. RAY & W. S. RAY MFG. CO., a Corporation,

Plaintiff,

vs.

BUNTING IRON WORKS,

Defendant.

Thursday, March 13, 1924.

REPORTER'S TRANSCRIPT.

INDEX.

	Direct	Cross	Re-D.	Re-X.
W. E. Leland.....	99	101		
Harry Bosley	104	105		
Wm. R. Ray (Recalled).....	107	115	116	
R. S. Whaley do	118	128	131	
Argument of C. E. Townsend, Esq.	132			
Argument of Wm. K. White, Esq.	155			

Mr. WHITE.—As I understand, if your Honor please, plaintiff does not rely on claims 12 and 13 of the second patent in suit, but I wish to have that acquiesced in by plaintiff's counsel.

Mr. TOWNSEND.—That is correct, your Honor, Claims 12 and, possibly, 13, relate to the vanes, and for the reasons explained yesterday—

The COURT.—What is the second patent?

Mr. TOWNSEND.—No. 1,285,376.

The COURT.—You announced yesterday you relied on 12. Now you waive it?

Mr. TOWNSEND.—We waive 12.

The COURT.—12, and 13 you do not rely on?

Mr. TOWNSEND.—I do not think we rely on it at all.

The COURT.—You made no mention of 13 yesterday; you mentioned 12 to 20, excepting 13.

Mr. TOWNSEND.—Yes.

The COURT.—Very well. Proceed.

TESTIMONY OF WILLIAM E. LELAND, FOR DEFENDANT.

WILLIAM E. LELAND, called for the defendant, sworn.

Mr. WHITE.—Q. State your name, age, residence and occupation.

A. William E. Leland; age, 54; consulting engineer; residence, 704 Alameda, Berkeley.

Q. State whether or not at any time you, on behalf of the G. E. Witt Company, of this city, examined one of its oil burner installations, and, if so, when and where?

(Testimony of William E. Leland.)

A. I examined one of their installations at the Stanford Court Apartments, about October, 1914.
[135—99]

Q. I show you a bulletin of the G. E. Witt Company, and ask you to state whether or not the same contains an illustration of such installation so examined by you?

Mr. TOWNSEND.—I understand that this, your Honor, is simply offered to show the state of the art.

Mr. WHITE.—Yes, that is correct.

Mr. TOWNSEND.—If it relates to the matter embodied in their proposed answer yesterday, which was denied, we object to it.

The COURT.—Whatever limited purpose it serves, it will be considered in connection with that. The witness may answer.

A. Yes, that is the apparatus that was installed.

Mr. WHITE.—I offer this bulletin in evidence and ask that it be marked Defendant's Exhibit "HH."

Q. Do you recall the construction of the oil burner cup in that installation so installed by you at that time? A. Yes, in a general way.

Mr. TOWNSEND.—We object to the publication as not sufficiently proved.

The COURT.—I am rather inclined to think so.

Mr. WHITE.—I am offering it as illustrating what the witness just stated he saw.

The COURT.—For that purpose it is sufficient. The objection is overruled and an exception will be noted.

(Testimony of William E. Leland.)

Mr. WHITE.—Q. I hand you a device and ask you to identify the same, if you can.

A. Yes, that is a head similar to the one that was on the burner which I examined.

Q. At that time? A. Yes.

Mr. WHITE.—I offer this device in evidence and ask that it be marked Defendant's Exhibit "II."

Mr. TOWNSEND.—Objected to as irrelevant and immaterial, and not sufficiently proved. [136—100]

The COURT.—It will be admitted. For the sake of the record, the objection is overruled. If not competent, the Court will give it no consideration.

Mr. WHITE.—That is all.

The COURT.—Cross-examine.

Cross-examination.

Mr. TOWNSEND.—Q. This piece of metal just shown you, Mr. Leland, and in evidence as Exhibit "II," do I understand you to say that is the same head that was in the apartment at that time?

A. No, I could not say that.

Q. You don't know where this particular device came from? A. No.

Q. Do you know what happened to that burner that was put in that place?

Mr. WHITE.—Objected to as not proper cross-examination.

A. No, I do not.

(Testimony of William E. Leland.)

The COURT.—It is cross-examination. It may be preliminary. He may proceed briefly.

A. No, I do not.

Mr. TOWNSEND.—Q. Did you see it subsequently at any time to the date of October, 1914?

A. I could not say as to that date, but not recently, in any event.

Mr. TOWNSEND.—That is all.

The COURT.—I understand you are a consulting engineer; of what profession or vocation?

A. Consulting mechanical engineer.

Mr. WHITE.—I have no other witnesses, unless I recall Mr. DeLaney, but before doing so I wish to call your Honor's attention to the fact that yesterday I offered to prove that the defendant was manufacturing a rotary type of burner, which is shown in these photographs, and the principal part of its business consisted in the manufacture and sale of that type of burner, [137—101] and that offer of proof was objected to and the objection sustained; but I did not make an offer in accordance with Rule 46 of the Equity Rules, and, therefore, at this time I desire to formally offer to prove these facts, that the defendant is and has been manufacturing the type of burner disclosed in these photographs, and the principal part of its business is the manufacture and sale of that type.

The COURT.—In other words, some different burner than this?

Mr. WHITE.—Yes, it is a rotary type in which the fan and motor are located at a distance from

the burner tip, the air and fuel being fed into the burner.

The COURT.—That is to say, you have not denied making the burner alleged to be an infringement?

Mr. WHITE.—Oh, no.

The COURT.—But you contend you were making some other burner?

Mr. WHITE.—Yes.

The COURT.—I cannot see that it is material.

Mr. WHITE.—On the defense of aggregation or want of invention, by showing that a burner having this motor and this fan located at a distance, we get the same result as when the motor and fan are located on the same shaft; that it makes no difference where the motor is, or the fan, in regard to the operation of the device. That is the only object.

The COURT.—I do not think it is necessary for that purpose. I think I can see that as well as anybody else, if you apply the power it does not matter where it come from, so far as usefulness or effectiveness are concerned—I am not passing on the merits of the combination. Do you still object to this?

Mr. TOWNSEND.—We do object as having no bearing on this. [138—102]

The COURT.—We will follow the rule. It will be admitted over the objection, the objection overruled, and an exception noted; if not entitled to any consideration, the Court will give it none. The

purpose of that is it would not do for a case to go up and it be sent back on the theory that something that might be competent was omitted. If this case goes to the appellate tribunal it will be tried anew, and they will have all the evidence there. I am frank to say I can see no purpose that will be subserved.

Mr. WHITE.—With reference to the cross-complaint, I desire to reoffer the King patent in evidence and have the same marked Defendant's Exhibit "G."

The COURT.—Which one is that?

Mr. WHITE.—That is the King patent that is sued on in the cross-complaint. It is already in evidence in behalf of the defense, but I am reoffering it on the cross-complaint.

The COURT.—It will be considered in the record for that purpose. It will not be necessary to print it twice. Is there any objections to it?

Mr. TOWNSEND.—No, your Honor.

The COURT.—Very well, it is admitted.

Mr. WHITE.—And the circular, Defendant's Exhibit "HH," is already in the record, but I ask that it be considered as part of the case on the cross-complaint.

The COURT.—It may appear in the record.

Mr. WHITE.—In support of the cross-complaint, I offer in evidence a certified copy of the bill of complaint and answer in this suit brought by the American Standard Oil Burner Co. vs. The W. S. Ray Mfg. Co. some years ago, for the purpose of showing notice of infringement of this

(Testimony of Harry Barley.)

King patent, which was sued on in this case by our predecessor in interest, and ask [139—103] that it be marked "Defendant's Exhibit" next in order.

Mr. TOWNSEND.—I have a certified copy, which includes the bill, the answer, and the order of dismissal.

The COURT.—What is counsel offering?

Mr. WHITE.—The bill and answer. If counsel wishes to put his certified copy in it is agreeable it may go in as showing the order.

Mr. TOWNSEND.—I would like to have it appear as showing the order of dismissal.

The COURT.—It may go in.

Mr. WHITE.—It was dismissed without prejudice.

(The document was marked Defendant's Exhibit "KK.")

That concludes our case.

The COURT.—Any rebuttal?

Mr. TOWNSEND.—Yes, your Honor.

TESTIMONY OF HARRY BARLEY, FOR PLAINTIFF (IN REBUTTAL).

HARRY BARLEY, called for the plaintiff in rebuttal, sworn.

Mr. TOWNSEND.—Q. Mr. Barley, will you please state your name, age, residence and occupation?

A. Harry Barley, 105 Westwood Drive; superintendent W. S. Ray Mfg. Co. plant; 43 years old.

(Testimony of Harry Barley.)

Q. How long have you been with the Ray Company, the plaintiff in this case?

A. Five years last November.

Q. Did you ever work for the G. E. Witt Company, the concern mentioned on the bulletin No. 18, Defendant's Exhibit "HH"?

A. Yes, I was shop foreman for about, I think, in the neighborhood of ten years.

Q. During what years?

A. From 1909 until about 1917 or 1918.

Q. Do you know anything about the history of the so-called Witt burner, referred to in that circular, and illustrated by the [140—104] burner device, the head of which was offered in evidence by the defendant as Exhibit "II"? A. Yes.

Q. Will you tell us what you know of that?

A. Well, I know that it was a failure. We built some, and they were installed and were taken out, not working properly. In fact, I do not believe there was one job that I can remember of that they received payment for.

Q. How soon was that failure discovered?

A. Immediately after they were put in and the fire was started we had trouble with the shaft warping, and the fire burning out against the front, and holes in the back of the casing filling up with carbon, and running over the back of the atomizer, and out the furnace front.

Q. Will you briefly describe the construction of that burner and compare it with either plaintiff's rotary burner Exhibit 7 or the defendant's rotary burner Exhibit "I"?

(Testimony of Harry Barley.)

Mr. WHITE.—Objected to as immaterial. The burner, itself, is in evidence, and speaks for itself.

The COURT.—What he has is simply a drawing. He may proceed. The objection is overruled.

A. Well, I don't see that I could describe it in any way with the exception that it has some parts—it was made up of gears and worms; that is the only thing I can say.

Q. Did it have an encased fan on it? A. No.

Q. How did it operate?

A. Well, it threw a saucer-shaped flame practically straight out from the end of the burner. That was our trouble, trying to get it burn ahead; instead of that it would throw out on the side walls.

Mr. TOWNSEND.—That is all.

Cross-examination.

Mr. WHITE.—Q. When did you see the burner at the Stanford [141—105] Court Apartments?

A. I was never at the Stanford Court.

Q. Who owned the Stanford Court, L. H. Sly?

A. Sly, I believe. The reason I remember it is I believe the company started suit against him for payment for the burner.

Q. For what length of time was that burner installed at the Stanford Court?

A. I could not tell you.

Q. On the back of that bulletin do you find a letter from Mr. L. H. Sly, praising the satisfactory operation of that burner?

A. I do not go anything on letters, because we

(Testimony of Harry Barley.)

were always dating letters and one thing or another in the company.

Q. Do you know whether there was a burner installed at that time by Mr. Herman Barth in his building, that is still in it and operating?

A. I do not.

Q. Do you mean you don't know anything about Barth's burner of this type? A. No.

Q. Do you know anything about the Matsonia burner of this type which was installed in 1914 by Mr. Sly and referred to by him in this letter of September 18, 1914?

A. The only recollection I have of the Matsonia, is the burner was thrown out.

Q. Did you ever see the burner there?

A. No, I never went on any job there.

Q. How do you know they were thrown out?

A. Because they came back to the shop.

Q. When? A. I could not tell you the date.

Q. How many years after the installation?

A. I don't think it was years, I think it was months.

Q. After the operation of these burners for some months, was not the only change made in the burner head increasing the sizing of these perforations so as to facilitate the passage of the oil from the rearwardly projecting flange into the front [142—106] of the burner?

A. I will tell you, the changes were so fast and furious I could not keep track of them.

TESTIMONY OF WILLIAM R. RAY, FOR
PLAINTIFF (RECEIVED IN REBUTTAL).

WILLIAM R. RAY, recalled for the plaintiff in rebuttal.

Mr. TOWNSEND.—Q. Mr. Ray, will you please tell us of your training in mechanical lines?

A. At the age of 13 or 14 I went to work for my father, and not liking the business I was desirous of entering the electrical business, so I first served a year at the Electric Engineering Company on Mission Street, who were building electric elevators. I afterwards went to the Union Iron Works, where I served four years as a machinist and electrician. During that period we installed the Market Street power house at 11th and Bryant, the Emporium, and miscellaneous other small jobs. After leaving the Union Iron Works, I came back with my father again, and have been there since, that is, with the W. S. Ray Manufacturing Co., first as an employee, and later a stockholder, and now a stockholder and president of the company. During this time I finished my schooling at night, three years at grammar and two years at mechanical drawing.

Q. How long has the W. S. Ray Manufacturing Company, either under that name or a like name, been in existence? A. Since 1871.

Q. What line of work?

A. Principally marine work, plumbing and sheet metal, and the manufacture of ranges, both for oil and coal.

(Testimony of Wm. R. Ray.)

Q. You are the patentee of the two patents in suit? A. Yes.

Q. Will you tell us of the origin of the invention?

A. During 1911 and 1912, I was experimenting on other types of oil burners, aside from the rotary type, but during 1913 we started experimenting on the mechanical rotary type, and I [143—107] made my first drawing in—I have got to refer to dates, there are so many of them—November, between November and December, 1913, I made my first drawing of the model burner over in the corner of the room. That burner was manufactured between March and April, 1914, and put in operation in a small building on our property in the Mission.

Q. We will get the burner that you refer to.

A. It is right over in the corner.

Q. There are three metal parts here to which you have referred. Will you briefly tell us what they are, what relation they bear to your narration?

A. In my first burner that I manufactured, which is exhibited here, it consisted of a casing for a fan on this side, a nozzle projected into the furnace. On the opposite side of this casing, which was a cover which supported the motor, which in turn had a protected shaft, carried a fan, an atomizer, which was centrally located in the nozzle. On this first burner it was fastened to the furnace permanently, and had no means of swinging to and from the furnace for inspection, or removing it from the

(Testimony of Wm. R. Ray.)

reflex head of the furnace, after shutting down. I soon discovered that this was not the proper thing, and you will note that I riveted on two band iron hinges which I used for wheeling this burner from the furnace, using a flexible oil connection to make the connection to the oil feed valve. This first burner, I had no air diaphragm in it for carrying the air to the nozzle; we found that by taking air pressures from the periphery of the fan and also at the nozzle that there was considerable drop in air pressure; on my second burner, which—

Q. (Intg.) Just before we pass on to that, Mr. Ray, are these the drawings that you refer to as having made your conception [144—108] in November and December, 1913? A. Yes.

Q. How much of that original burner, as you constructed it in the early spring of 1914, is missing, if any?

A. We have the motor in the factory at the present time, it was an Emerson motor; we have it now running a small emery wheel. The only thing missing is practically the atomizing cup.

Q. And the motor shaft

A. And the extended motor shaft.

Q. There was a conical projection from the large casting, there, with internal radial ribs; what is that shaft?

A. That is how I accidentally discovered the air vent in the nozzle. That was put in for another purpose and it was never used for that purpose. I accidentally discovered the air vent in the nozzle through constructing it that way.

(Testimony of Wm. R. Ray.)

Q. Have you any records of when the manufacture of these parts that we have here was actually done?

A. We have records in our factory books showing dates of starting, and all the different steps we took.

Q. What date was the manufacture of this device?

A. The order for this machine was started on March 10, 1914.

Q. Can you show us the record in which that is?

A. My brother is able to do so.

Q. Just give us the order number to which this machine relates.

The COURT.—I do not see that all that detail is necessary. If it is disputed you can offer corroborating evidence.

Mr. TOWNSEND.—Very well.

Q. There is a sheet metal device. What is that?

A. That is the fan.

Q. That was used in that device? A. Yes.

Mr. TOWNSEND.—I ask that these three parts the witness has referred to, the two iron castings and fan—

A. (Intg.) There are four parts; the nozzle is detachable. [145—109]

Mr. TOWNSEND.—We will offer them as three exhibits, 21, 22, and 23.

(The parts were marked, respectively, Plaintiff's Exhibits 21, 22, 23.)

Q. Are these parts, Exhibits 21, 22, and 23, in

(Testimony of Wm. R. Ray.)

the same condition as they were at the time that you manufactured them? A. Yes.

Q. Was that device put to use or tried out?

A. That particular one, I don't know, but the next ones we built were.

Q. You did not utilize this in actual practice?

A. No.

Q. What was your next step?

A. The next step was a drawing made on September 13, 1914, which we can produce, of the next burners we manufactured.

Q. Have you the original drawings?

A. These are the original drawings.

Q. Will you just briefly explain them and tell what you know about them?

A. This drawing, here, was drawn on September 13, 1914, and illustrates—

Q. (Intg.) By whom? A. By myself.

Q. When were the figures and dates put on there, and by whom? A. At the time of the drawing.

Q. By whom?

A. By myself. This is the same drawing that was handed to the patent attorney when this case here was taken up.

Q. You mean patent 1,193,819? A. Yes.

Q. Filed November 30, 1914? A. Yes.

Mr. WHITE.—I do not see the relevancy of the history of his invention.

Mr. TOWNSEND.—They offered this Witt device, and we must show the result. [146—110]

The COURT.—Proceed with it with expedition.

A. In the first drawing, showing the burner sec-

(Testimony of Wm. R. Ray.)

tional view, we have a fan casing with two brackets which support a motor, which is directly connected to a large diameter fan with small blades and where the air is taken behind a stationary diaphragm. On the end of the same shaft is fastened a rotary or atomizing cup. This cup is in the center of an air nozzle that protrudes through the furnace lining; the air is taken centrally through one side of the blower casing and discharged centrally on the opposite side, through the nozzle, and around the revolving atomizer. The second sheet of drawings was drawn primarily to show the hinging of the burner, which is illustrated in the first Ray patent, bringing the oil through the hinges of the furnace plate and the blower case.

Q. What are these various brown marks like paint upon there?

A. That is the spatter from the pattern-maker's shop of shellac.

Q. In whose possession have these drawings been since made?

A. They have been in our possession.

Q. Are they in the same condition they were at the time, except for the dirt that is on them?

A. Yes.

Mr. TOWNSEND.—We offer the first of these drawings referred to by the witness as Plaintiff's Exhibit 25, and the second as Plaintiff's Exhibit 26.

(The drawings were marked, respectively, Plaintiff's Exhibits 25 and 26.)

(Testimony of Wm. R. Ray.)

Q. Did you manufacture any devices like Exhibits 25 and 26?

A. We manufactured the first burner under date of October, 1914, and two under date of December 31, 1914, which are shown in our shop factory books.

Q. Did you make any others in 1914?

A. That is all in 1914.

Q. I thought there was one on December 31st?

A. December 31st [147—111] there were two.

Q. Then you had five of these burners?

The COURT.—He said the first time there were two on December 31st. You may straighten it out.

A. There were four, counting the original one.

Q. You mean with the original model?

A. Yes, the original sample exhibit and then the next we put on the furnace and two that we sold.

Mr. TOWNSEND.—Q. Were there any built in November? Did you give the November one?

A. There is no November that I have a record of.

Q. I think your books will show that, but that is immaterial. Did you put these into use after you manufactured them in 1914? A. Yes, we did.

Q. What was the success or otherwise of these?

A. The first one we sold was to the Standard Oil Company, an the steamer "J. A. Moffitt." This burner is still in operation. The second burner we sold was to the Reichardt Duck Company, here at Colma, California. That burner is still in operation.

(Testimony of Wm. R. Ray.)

Q. Are you still continuing to manufacture rotary burners of this character? A. Yes.

Q. To what extent? Have you the records?

Mr. WHITE.—The question is objected to as being indefinite, if your Honor please, in that this drawing here discloses a burner having a cup such as disclosed in the first patent in suit, and, as I understand it, the machines being sold by the plaintiff for some years last past retain the form of cup disclosed in the second patent in suit, so I do not care to have this question embrace both devices.

Mr. TOWNSEND.—It is utterly immaterial. The defendant is making this identical cup that we did in that patent. [148—112]

The COURT.—I did not quite catch your objection. What do you mean?

Mr. WHITE.—The objection is this: he asked the witness to what extent they had sold this type of burner. Now they are suing on two patents, the constructions of which are different. I do not want the general sale of burners by them to redound to the benefit of both patents when one burner sold by them differs in construction from the construction in the other of the patents. If they are relying on the general use of the device shown on the first patent, they should show the extent of that, if they are relying on the general sale of the type of the burner disclosed in the second patent, they should show the extent of that.

The COURT.—The objection is overruled.

Mr. TOWNSEND.—You may explain that, Mr. Ray.

(Testimony of Wm. R. Ray.)

A. I thought they admitted yesterday that there is no difference in the way we put the oil into the cup. That is the only difference between the two devices.

Q. Proceed and answer the question, to what extent have you put your rotary burners of the type shown in the patent in suit, and in the device Exhibit 7 before you, on the market?

A. In the way of sales?

Q. Yes.

A. In 1915 there were 55 burners sold, representing a net price of \$6,234; in 1916, 276, representing \$35,668; in 1917, 358, representing \$53,671.71; in 1918, 310, representing \$49,661.54; in 1919, 572, representing \$93,031.55; in 1920, 826, representing \$136,099.22; in 1921, 719, representing \$116,813.35; in 1922, 1468, representing \$221,988.60; in 1923, 2982 burners representing \$465,150.36, a total of \$1,178,318.98.

Q. A total of how many burners?

A. I have not got the total number of burners.
[149—113]

Q. What investment in plant have you for the manufacture of these burners at the present time?

A. About \$300,000.

Q. Most of that has been put in since what time?

A. During the last four or five years.

Q. Did you exhibit these burners at the Panama-Pacific Exposition in 1915? A. Yes.

Q. Did you advertise them at that time?

A. We did.

(Testimony of Wm. R. Ray.)

Q. Have you any such advertisements that you put out at that time?

A. We have a circular that was distributed at the Panama-Pacific Exposition.

Q. Do you know when that circular was gotten out?

A. It was gotten out at the end of 1914, or very early in 1915.

Q. Is this one of the original circulars?

A. Yes.

Mr. TOWNSEND.—I offer this circular in evidence as Plaintiff's Exhibit 27.

(The document was marked Plaintiff's Exhibit 27.)

Q. Did the predecessor of the defendant exhibit at the Panama-Pacific Exposition? A. It did.

Q. What was the name of that concern?

A. American Standard Oil burner Co.

Q. How near to your exhibit was theirs?

A. Well they were in the same section, about 70 feet south.

Q. Did any of the officers or employees or engineers of the defendant's predecessor see the Ray burner?

A. Yes, they came in quite often, and Mr. Beecher and Voskueler, their engineer, made us numerous visits.

Q. Did they eventually acquire, so far as you know, one of your rotary burners?

A. To my knowledge they did.

Q. When was that?

(Testimony of Wm. R. Ray.)

A. It was in September, 1915.

Q. Up to that time had the defendant's predecessor or the defendant ever put out a rotary horizontal burner, to your knowledge? [150—114]

A. I had never seen any, to my knowledge.

Q. How long after that did they put out a burner of that type?

A. The first burner of that type I seen was at the Panama-Pacific Exposition in late October.

Q. I meant to ask you how extensive is your business in these rotary burners territorially? Is it confined to California, or what?

A. No, we are selling them all over the world at the present time, and have our own branch in Chicago, and in Oakland, and here. The rest of the distributors are financed by themselves. We have distributors in every large city in the United States, in Mexico, Alaska, Hawaiian Islands, and in England, France and Norway.

Q. Do you publish catalogs in more than one language?

A. We publish catalogs in Spanish and in French.

Mr. TOWNSEND.—That is all.

Cross-examination.

Mr. WHITE.—Q. How many burners did you or your company make embodying the type of cup disclosed in the first patent in suit, No. 1,193,819, and which cup has the rearwardly-projecting flange?

(Testimony of Wm. R. Ray.)

Mr. TOWNSEND.—I submit, your Honor, that is entirely irrelevant and immaterial.

The COURT.—It is cross-examination; he may answer.

A. As near as I can remember, about 24.

Mr. WHITE.—Q. And all the balance of the burners referred to as having been made by your company embodied the type of burner head disclosed in the second patent in suit, and embodied in this Exhibit No. 7: Is that correct?

A. There is no difference in the burner head, aside from entering the oil through the hollow shaft.

Q. Is that correct? Please answer the question.
[151—115]

The COURT.—He disputes the conclusion embodied in your question. He says the burner heads are the same, but the oil is circulated differently.

Mr. WHITE.—Q. Do you mean in this Exhibit 7 the burner head is not divided into two compartments, the oil being fed into the rear compartment formed by the rearwardly-projecting flange?

A. Yes.

Q. Isn't the oil in this burner Exhibit 7 fed into the front compartment?

A. There is only one compartment in this.

Q. In other words, the burner in this Exhibit 7 is the type of burner disclosed in the second patent in suit: Is that correct? A. Yes.

Q. And in all of these other burners, with the exception of the 24 you have mentioned, you embodied this burner of the type shown in that second patent in suit: Is that correct? A. Yes.

(Testimony of Wm. R. Ray.)

Q. As I understand it, the American Standard Oil Burner Company had on exhibit at the 1915 Fair a type of this burner, Plaintiff's Exhibit 1: Is that correct? A. No, not like that.

Q. When did you first see one of the burners of this type?

A. I believe in the latter part of 1916.

Q. As I understand you, whether you used in your burner Exhibit 7 this type of burner head shown in the second patent or the type of burner head shown in the first patent, no different result is effected?

A. As far as combustion is concerned, no.

Q. The mode of operation of the two devices is the same whether you have one type of burner in there or the other?

A. As a matter of introducing the oil, it is immaterial as far as combustion is concerned.

Mr. WHITE.—That is all.

Redirect Examination.

Mr. TOWNSEND.—Q. You said that the burner of the American [152—116] Standard Oil Burner Company was put on exhibition at the Fair at the end of 1915, after seeing your burner. Was it any different from Exhibit 1? A. Yes.

Q. In what particular?

A. Well, it embodied a large fan, the atomizing cup, and the hinging principle, except that it was driven by a belt, instead of directly connected as per this exhibit.

Q. By belt driven, you refer to the construction

(Testimony of Wm. R. Ray.)

illustrated in the "Architect and Engineer" of November, 1915, Plaintiff's Exhibit 20, on the inside of the back cover? A. Yes.

Q. Also as shown in the enlargement which I show you? A. Yes.

Q. Taking one of defendant's predecessors' catalogs, is there any difference in principle in this structure of fan, atomizer, oil feed, etc., where it is directly connected, or where it is belt-driven?

A. The first machine that I seen in the Panama-Pacific Exposition got the same result that we did with our machine, only applying the application of power in a different way.

Q. In a different way? A. Yes.

Mr. TOWNSEND.—I offer this enlargement in evidence as Plaintiff's Exhibit 28.

(The enlargement was marked Plaintiff's Exhibit 28.)

Mr. WHITE.—I have one more question.

Q. In these 24 machines built by your company and embodying the oil cup shown here in the first Ray patent in suit, how was the oil carried to the burner?

The COURT.—You are confusing the terms, or at least confusing the Court. By "burner," do you mean the whole structure or only the cup?

Mr. WHITE.—The whole mechanism.

The COURT.—That is what you mean when you say "burner"? [153—117]

Mr. WHITE.—Yes.

The COURT.—What is your business now?

(Testimony of Wm. R. Ray.)

Mr. WHITE.—Q. In these 24 machines built by you and embodying this burner cup shown in the first Ray patent in suit, how was the oil conducted to the burner?

A. It was conducted through the hinges as per exhibit drawing.

Q. Your first patent does not show that construction, does it, the conduit through hinges?

A. No.

Mr. WHITE.—That is all.

Mr. TOWNSEND.—That is all.

TESTIMONY OF R. S. WHALEY, FOR PLAINTIFF (RECALLED IN REBUTTAL).

R. S. WHALEY, recalled for plaintiff, in rebuttal.

Mr. TOWNSEND.—Will you please state what experience, if any, you have had in the study of patents?

A. My greatest experience in the study of patents was during the war, when many hundreds of inventions came out that the Government was anxious to get to help win the war; and to facilitate the passage through the Patent Office of those that were meritorious, they established throughout the country various boards that examined all of these.

The COURT.—Come briefly to the point.

A. I was on one of these boards that examined hundreds of these inventions and passed on those that were feasible.

Mr. TOWNSEND.—Q. Have you examined the plaintiff's patents in suit? A. I have.

(Testimony of R. S. Whaley.)

Q. And the defendant's King patent.

A. I have.

Q. And the various patents offered in evidence by the defendant? A. I have.

Q. Will you kindly examine these patents now and briefly summarize your conclusions in regard to the relationship that any [154—118] of the patents relied upon by the defendant bear to the plaintiff's patents in suit, and make such comment as you desire as to the practicability of the various patents referred to.

A. I have examined thoroughly the patents offered by the defendant in this suit.

Q. Let me add one thing: It appeared yesterday on the cross-examination of Mr. De Laney I did not have a copy of the Klein patent before me, so I neglected to interrogate him on that. So I want you to refer to the Klein patent, as well as the others.

A. As a matter of information, I must preface my remarks with a short statement. Oil burning is accomplished by five different methods. The methods that we are interested in here are the methods using a rotary atomizer. The atomization of oil by the rotary method is divided into three different and distinct types. You cannot transfer one of these types to the other with success. The three types are the vertical type, which can be subdivided into two smaller classes, an atomizing cup and fan, and a motor all on one shaft. The vertical type of burning oil is entirely different from the horizontal

(Testimony of R. S. Whaley.)

type of burning oil; a different principle is involved. If given a sufficient time I could explain that. The horizontal type of burning oil is differentiated in two distinct types, one where the agent that actuates the atomizing cup is a blast of air blown against a turbine or a fan. That device is entirely different from one where the agent that turns the atomizing cup and the fan is all on one shaft, for this reason, that where the fan and the atomizing cup are on the same shaft driven directly by the motor, and the air used for atomization can be controlled independently from the rotation of the atomizing cup. Where the atomizing cup is actuated by a device that requires [155—119] air to be blown through a turbine to turn it, if you diminish the amount of air actuating the turbine you slow down the speed of your atomizing cup and as a result you lose the efficiency of the atomizing cup. Therefore, in that type of burner, it is impossible to adjust the amount of air for atomization, and, therefore, you cannot accomplish the result that you can with a device where the motor, and fan, and atomizing cup are all on the same shaft. In the oil-burner business, these two types of burner are separate and distinct, as a buggy from an automobile. They are not used in the same manner. The automatic control of the air and oil cannot be applied to the type where the atomizing cup is driven by a blast of air. When you eliminate these patents cited where a different method is used for atomizing the oil and obtain a new result, you nar-

(Testimony of R. S. Whaley.)

row the thing down to just these two devices, the Simplex device and the Ray device. Citing the Klein burner as an instance, it has a burner of the same diameter as the atomizing cup. It is known from experiments made, not only by myself, but by others, that a fan not of this type, but even the high pressure blower type must be at least seven times the diameter of the atomizing cup to drive a sufficient force of air across the film of oil leaving the periphery of the cup, and to divert its direction approximately in line with the axis of rotation. The fan in the Klein burner is of the propulsion type, and it delivers a large volume of air at low pressure. This fan, having the same diameter as the atomizing cup, it would be impossible in the Klein burner to drive enough air at low pressure around the periphery of the cup to change the direction of the oil vapor coming off the periphery of the cup. My opinion of the Klein burner is that it would not operate successfully.

Q. Just take up the other patents for discussion and group them [156—120] as you desire.

A. The first patent is the Cook patent—

Q. Give the number.

The COURT.—As long as he gives the name it is sufficient; they are all identified in the record now.

A. The Cook patent has no fan, and relies upon the induction of air by the natural draft of the chimney, or by forced draft from some exterior agent to furnish air for combustion. He relies for atomization entirely upon the centrifugal action of

(Testimony of R. S. Whaley.)

the cup. This burner would not operate for all the high pressure air or steam is blown in with the oil and the oil broken up in that manner and the air for combustion induced by the natural draft of the chimney or forced draft. It applies to an entirely different type of burner than the two burners in question.

The Kinney patent is a steam jet air induction device or smoke-consuming furnace, and not a burner at all.

The Collins patent is a jet type of burner. The cup A in Fig. 2 is not an atomizing cup; it is simply a superheating device for heating oil in a jet type of burner, and does not rotate at all.

The Leyson patent is merely a water-jacketed door for keeping a furnace door cold. It is not an oil-burning device.

The Eddy patent—

The COURT.—There are two Eddy patents.

A. The Eddy patent No. 54,650 is a type of burner where the air is brought from an exterior source, and the atomizing cup driven from a pulley on the shaft. It is well known from experiments by myself and others that an atomizing cup with an angle of divergence such as that cup S, the oil pouring through that cup would not take the rotation of the cup, but would pour off the cup. The cup must be more nearly horizontal, so that the oil [157—121] would be picked up by the rotation of the cup, to be atomized.

The second Eddy patent, No. 54,651, is a device

(Testimony of R. S. Whaley.)

where the power for rotating the atomizing cup is supplied by a blast of air from an exterior source. This blast of air must be held at a constant pressure, so that the atomizing cup will be held at a constant speed. If you reduce the air pressure you slow the cup down and the oil is not atomized and your fire goes out. That device does not belong to the same system of burning oil as the two burners here in question.

The COURT.—How do you change the volume or pressure of air in this device without slowing down the cup?

A. The cup turns at a constant speed with the motor. The air intake to the fan is adjustable, and the amount of air going into the fan can be changed; that is one of the most important things in the burning of oil, to get a mixture of oil and air in proper quantities, and this is the device that is able to do that.

Mr. TOWNSEND.—By “this is the device,” you are referring to the plaintiff’s device?

A. Yes.

The Mack patent has a fan and an atomizing cup, but at a glance it is evident to anyone familiar with the burning of oil that the burner would not operate for more than a period of a few hours before the holes E through the chamber D, surrounding the atomizing cup, would be plugged with carbon and oil and passage of air from the fan to this atomizing cup stopped. These passages for air between the fan and this atomizing chamber are so proportioned

(Testimony of R. S. Whaley.)

that the high velocity of the air from the fan would be lost unless a tremendous force were applied to the fan.

The Hamman and Voegeli patent is merely a forced draft fan for blowing air in over a coal fire to supply a forced draft. [158—122] It has nothing to do with the burning of oil.

The Thom patent is a patent merely for making a pipe-line flexible with several joints. It is a jet type of burner, as far as the burner goes, and has no relation to this type of burner in question.

The J. W. Anderson patent shows a jet type of oil burner, having two hinges, with the oil and steam coming through the different hinges, with a stuffing box on each hinge. The burner is a jet type of burner, and applies to an entirely foreign type of oil burner than the ones in question here.

The Gibbs patent is a vertical type of burner. The agent for atomizing the oil is entirely a flat plate, and the oil is run out on this flat plate, and the atomizing is accomplished entirely by centrifugal force. A large diameter of plate or cup must be used because to get sufficient force on the centrifugal action only, you have a large radius, because the centrifugal force is directly proportional to the square of the radius.

The Gordejef patent is simply a jet type of oil burner, and not comparable with this type of burner in question at all. This Gordejef patent has swivel joints on the pipe-line leading to the burner.

The Hamman patent, No. 799,560, is simply an

(Testimony of R. S. Whaley.)

induced draft apparatus. It has nothing to do with the burning of oil at all, simply a fan actuating a steam turbine. That fan would have to be used as a forced draft apparatus instead of induced draft apparatus.

The S. F. Johnson patent has a fan with a number of blades or fingers on it, and the oil is sprayed against these blades and blown into the furnace. This device would not be successful. It is apparent to everyone familiar with oil burning that the device [159—123] would not operate and is not comparable in any way with the two devices in question.

The Britten patent is a vertical type burner, which puts it in an entirely different class, because it works on a different principle from the burners in suit. The atomizing device is a fan blade, and not an atomizing cup at all, and works on an entirely different principle than the two burners in question.

The Fesler patent is perhaps the first case of vertical type of oil burning. It operates on the principle of atomizing the oil entirely by the centrifugal force, the air supplied being for use only for combustion. The air travels in the same direction as the flow of oil from the atomizing device, and it does not assist materially in atomization, but is used only for combustion. The atomization is entirely accomplished by the rotation of the centrifugal head. That is one of the differences between a horizontal and a vertical burner.

The Gordin patent has a fan device for atomizing the oil which is splashed on the blades of the

(Testimony of R. S. Whaley.)

fan vertically, and not in any way comparable with the oil burners here in question.

The J. H. Becker horizontal burner patent shows two gears for picking up the oil and a propulsion fan behind for in theory blowing the oil which these two gears splash up into the fire-box. The device, on its surface, shows that it will not operate for any length of time, for the reason that the oil, after being picked up by the gears, will be recondensed by being blown against the inside of the tube, which converges at its front end. This condensation takes place because that if the oil after being atomized comes in contact with a cold surface it will immediately condense from a vapor into oil again. So the device is inoperable for that reason.

The J. H. Becker centrifugal burner patent No. 1,101,779, is a [160—124] vertical oil burner, and the oil is introduced into a rotating cup. I put more time on this because it seems to be more in point with the burners here in question.

The oil is introduced into the bottom of the cup and raised to the periphery of the cup and thrown off by the centrifugal force of its rotation. The fan is of the same diameter as the cup, or practically so. It will not operate on the principle of these two burners in question for the reason that experiments have shown, not once but many times, that a fan of even higher velocity than this type will not blow sufficient air to catch the film of oil unless the fan is at least seven times the diameter of the atomizing cup, because the force of the oil coming off the

(Testimony of R. S. Whaley.)

atomizing cup is greater than the force of the air blown by the fan; of course, a very small quantity of oil or a few drops might be caught by the air from the fan, such as this. A burner of this type produces a saucer-shaped flame.

Mr. TOWNSEND.—Q. What have you to say about Mr. De Laney's suggestion yesterday if you ran that fan fast enough you might get an air draft that would do that?

A. There is a limit beyond which you cannot drive a fan, because the efficiency of a fan is immediately lowered as soon as the critical speed is exceeded, which means that the fan, at this high speed, would merely slip around in the air and not discharge any large quantity of air. This fan of that diameter could not be driven at high enough speed to atomize a film of oil thrown from a cup of this large diameter, unless the delivery of the air were of such tremendous volume that it would blow out the fire, because that type of fan delivers a large volume and a small pressure. The reason the fire is blown out by a large volume of cold air is that the temperature of the [161—125] combustion chamber or flame is lowered below the point of combustion.

The W. M. Britten patent has a vertical type of oil burner, with the atomizing agent a splash fan. It is not comparable in any way with these two oil burners in question.

The M. A. Fesler patent, No. 1,113,108 is of the vertical type of oil burner, and the atomization is accomplished by the centrifugal force of the cup,

(Testimony of R. S. Whaley.)

and none of the air blown in is for atomization, but for combustion only. The oil from the cup makes a saucer-like flame. In this particular patent the cup is double, made of two parts, so that a large amount of oil can be atomized. That patent, however, applies to the vertical type of oil-burning apparatus, entirely different in principle from the devices in question.

The W. E. Shore patent is a superheating device for furnaces; it has nothing to do with atomization or burning of oil. It has, however, a swivel joint on the air pipe-line going to the superheater.

Q. Have you the King patent there?

A. I might say, saving a little time while you are looking for that patent, that these differences in the method of burning oil are recognized by everyone in the oil burning business, and they do not consider them comparable in any way. The vertical type of oil burner works on an entirely different principle from the horizontal type of burner.

Q. Just give us your comments on the King patent.

A. The J. H. King patent is a vertical type of oil burner, relying for the atomization of the oil entirely upon the rotation of the atomizing cup; the lip 14 on the top of the atomizing cup diverts the stream of air away from getting across the film, and directs it in a direction the same as the discharge [162—126] of the oil from the cup, and will make a saucer-like flame, and could not be used in a horizontal position and a fire made with this

(Testimony of R. S. Whaley.)

King device such as is made by the two burners here in question. The fan on the King burner is a propulsion type of fan, which delivers a large volume of air at low pressure, which is used for combustion only, and assists in no way in the atomizing of oil. It applies, in the first place, to the vertical type of oil burner, which is entirely different in principle.

Q. Have you examined the so-called King drawing of August 3, 1911, Defendant's Exhibit "EE"?

A. I have not seen it yet, but I can examine it.

Q. Will you kindly look that over, and, assuming such a structure, make your observations upon it?

A. I take it that this is a sketch of the model here in evidence?

Q. Yes.

A. I can say this in regard to this device, as an oil burning device, that it must rely upon the action of the cup for the atomization of the oil, for the reason that a fan of the type shown and of the diameter that would go in here, compared to the diameter of the atomizing cup—

Q. (Intg.) By "in here," you mean Model "FF"?

A. Yes. The diameter of the fan that would go in the casing shown in model Plaintiff's Exhibit "FF" is so small that it would be impossible for it to deliver enough air at sufficient pressure to atomize oil thrown from the periphery of an atomizing cup of the large diameter shown in Plaintiff's Exhibit "FF." This type of fan shown on the sketch marked Exhibit "EE" is of a propulsion type, which will deliver a large volume of air at

(Testimony of R. S. Whaley.)

very low pressure, and could not at any velocity supply sufficient air to atomize the oil thrown from a cup of the size in the model "FF." The atomization of the oil in this model would, for that reason, have to rely entirely upon the centrifugal force of the rotation [163—127] of the cup, and, therefore, it is not comparable with either of the devices of the plaintiff or defendant here in question.

Q. Now, do you find the combination of the parts that appear in either the defendant's structure or the plaintiff's structure, for instance, the diaphragm, or fan casing?

A. This device has no diaphragm or fan casing along the same line as the defendant's device or the plaintiff's device, and should they put a diaphragm with this type of fan it would utterly defeat the object of the fan, because this is not a centrifugal blower fan, it is a propulsion fan that throws a blast of air in line with the axis of rotation. The centrifugal blower such as used here in the device in question throws a blast of air in a direction normal to the axis of rotation. If you put a diaphragm in front of that propulsion fan it would utterly defeat the object of that fan.

Q. I understand that drawing EE shows no diaphragm?

A. No, there is no diaphragm shown here.

The COURT.—What do you refer to by the diaphragm, what some have spoken of as a baffle?

A. As a baffle, yes.

The COURT.—I understand now.

(Testimony of R. S. Whaley.)

A. This baffle here, No. 3. If you put a baffle of that kind in front of a fan of this type it would utterly defeat the object of the fan, because the direction of the air would be directed against the face of the diaphragm.

Mr. TOWNSEND.—That is all.

Cross-examination.

Mr. WHITE.—Q. Referring now to the first Ray patent in suit, I would like you to state if in the operation of that device you have sufficient air being discharged from the air nozzle to prevent the oil thrown off from the centrifugal burner-head striking the side of the walls of the air nozzle, would you [164—128] then have air under a sufficient pressure to operate that device?

A. The proportions between the cup and the fan seem to be about right; it should be about one to seven to do it successfully; from that, it can vary slightly.

Q. In the operation of this Ray device shown in the first Ray patent, where you have air under sufficient pressure to cause the oil to be discharged in a line parallel with the axis of rotation, would you say that the air is under sufficient pressure to practically and successfully operate the device? Would that be a test of the pressure?

A. I do not get the object of your question; I do not follow you. What are you trying to get at?

Q. I want to find out whether air capable of changing the direction of the discharged oil suffi-

(Testimony of R. S. Whaley.)

cient to make the oil discharged from the cup go in a line parallel to the axis of rotation, whether it is under sufficient pressure to operate the device successfully? A. Yes.

Q. Have you given your testimony here upon the theory that patent drawings are made to scale?

A. No.

Q. You have given your testimony upon the assumption that they are not made to scale, and that the patents are directed to those skilled in the art, haven't you?

A. I have examined each of the patent drawings on the assumption that they are not drawn to scale.

Q. Where the patentee in the specifications in any one of these patents states that the air must be of sufficient pressure to accomplish a specific result, would anyone skilled in the art, in attempting to practice that patentee's invention, make a fan giving such an air current and such an air pressure as would accomplish that result? Would that be a matter of mechanical skill?

A. The success or failure of the device would [165—129] depend upon whether the patented device was capable of delivering that pressure. Whether it would or not is a different question. If the device were capable of delivering air at the proper pressure, it would be a successful device, otherwise it would not.

Q. Where the patentee sets forth in the operation of the device he must have air of sufficient pressure to do certain things, any ordinary skilled mechanic

(Testimony of R. S. Whaley.)

in attempting to practice that patentee's invention would use in connection with the invention a fan sufficient to develop such an air pressure?

A. That would be impossible in many cases, because it would entirely change the design of the patent.

Q. It would change the entire design?

A. Yes, the entire design.

The COURT.—Do I understand these drawings are not to scale?

Mr. WHITE.—No, they are not.

Mr. TOWNSEND.—Not exactly to scale, but they are often made from working drawings.

The COURT.—I assumed naturally if a drawing was placed on there it would be drawn to a certain scale.

Mr. WHITE.—No, there is no attempt ever made, so far as I know, to make patent drawings to scale.

Q. What have you to say in regard to the efficiency of this cup that you find in the Becker exhibit with respect to its shape or form?

A. You wish my opinion in regard to the efficiency of that, the shape of the cup?

Q. Is that a practical oil-burning cup?

A. At relatively slow speed, the cup would pick it up and drive it off centrifugally. At higher speeds the pitch of the cup is too great to pick up the oil. To drive the fan on that same shaft with sufficient speed to deliver any great quantity of air would necessitate driving the cup at such a terrific

(Testimony of R. S. Whaley.)

speed that it would [166—130] utterly defeat its object.

Mr. WHITE.—That is all.

Redirect Examination.

Mr. TOWNSEND.—Q. Is the defendant's device, and is the plaintiff's device supposed to be or known as a high speed rotary burner? A. Yes.

Mr. TOWNSEND.—That is all.

The COURT.—Your next witness.

Mr. TOWNSEND.—That concludes the plaintiff's case. I have just two things to offer, your Honor; one is a photostat of the particular references cited in connection with the King patent referred to in the file wrapper. I have here the publication, "Naval Liquid Fuel Report" that was referred to, and ask that it be received as Plaintiff's Exhibit 29.

The COURT.—What is this, did you say?

Mr. TOWNSEND.—That is a citation by the patent office in connection with the King patent, relied upon and set up in the counterclaim of the defendant.

The COURT.—A citation to some other patent?

Mr. TOWNSEND.—Yes, a citation to the patent of defendant in suit.

The COURT.—Very well.

Mr. WHITE.—That is only offered in evidence to show the state of the art?

Mr. TOWNSEND.—Yes.

Mr. WHITE.—Of course, there is no attack made upon the validity of the King patent.

(Testimony of R. S. Whaley.)

Mr. TOWNSEND.—It shows its limitations. Now, I would like to offer some patents to J. H. Becker and assigned to the American Heat & Power Company, predecessor of the defendant, as showing the patent activities of the defendant's predecessor [167—131] during the years of silence and inactivity from the alleged making of the King drawing in August, 1913, and until the issuance of the King patent in controversy. It is pertinent as bearing on the question of abandoned experiment and lack of due diligence. If they had the invention and were applying for patents on other devices and this invention was made before they applied for a patent, I want to show that during those years they were taking out other patents; in other words, they were not financially embarrassed. These patents are as follows:

Becker, 1,111,848, October 27, 1914, filed March 28, 1913;

Becker, 1,068,037, July 22, 1913, application filed January 21, 1913;

Becker, 989,828, of April 18, 1911, filed September 28, 1910.

Becker, 1,126,354, filed February 2, 1914, and Becker, 1,078,986, November 18, 1913, filed January 21, 1913.

We offer these collectively as Plaintiff's Exhibit 30.

Plaintiff rests.

Mr. WHITE.—Defendant rests.

* * * * *

[168—132]

ARGUMENTS.

Mr. WHITE.—In regard to the King patent, I will read, your Honor, in connection with this Ray device, claims 1 and 2. Those are the claims on which we rely:

* * * * *

Mr. WHITE.—May I just call your Honor's attention to one thing I overlooked, and that was prior invention of Ray, with respect to the cross-complaint, on the King patent, was not pleaded, and, therefore, that Ray testimony is not admissible in respect to proving invalidity of the King patent. It is only admissible in regard to carrying Ray's date of invention back on another patent we used on our main case. That is under the statute which Mr. Townsend cited.

* * * * *

[Endorsed]: Filed Mar. 28, 1924. Walter B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk.
[168½]

In the Southern Division of the United States District Court for the Northern District of California, Third Division.

EQUITY—No. 689.

RAY et al.,

Complainants,

vs.

BUNTING IRON WORKS,

Defendant.

DECISION.

March 27, 1924.

CHAS. E. TOWNSEND, Attorney for Complainant.

WILLIAM K. WHITE, Attorney for Defendant.

BOURQUIN, District Judge.—Complainant Ray filed applications for patent,—one on November 30, 1914, upon which patent No. 1,193,819, issued on August 8, 1916, and one on May 8, 1916, upon which patent No. 1,285,376 issued on November 19, 1918.

These patents are for oil burners, the second practically including the first and additions, improvements, or changes.

The bill alleges infringement, and the defenses are various grounds of invalidity sufficiently noted hereinafter.

The answer includes a cross-bill, alleging ownership of an oil burner patent No. 1,158,058 issued on October 26, 1918, upon application filed on March

23, 1914, and infringement; and complainant's defenses are denials and estoppel. [169]

There is no serious conflict of fact,—none that need be stressed or resolved. The facts are mainly found in patents of record. The law involved is only of the elementals, and is settled and clear.

Patent No. 1,193,819 is primarily a combination or aggregation of elements, though perhaps sufficient for any separate element if new. Perhaps, only, for their description, even taken in the light of the claims, hardly suffices to distinguish the new from the old, the invention. See the *Cornplanter* case, 23 Wall. 224. That there is novelty in any part is but faintly suggested in argument.

The burner is a compact, useful, and superior machine, or instrumentality, to supply fuel oil to fire-boxes, and of extensive use. It consists of a motor, upon the horizontal rotating shaft of which are fixed a cup to atomize oil fed to it, and a fan to further atomize the oil and to force it in lineal and axial direction into the fire-box wherein it is consumed. These elements and their uses in oil burning, to say nothing of analogous uses, were old when this patent was applied for, and in aggregation they operate in function and in result as they did and do in separation.

Hence, to assemble motor, fan, and cup, with their incidents, upon a single shaft, all in simple and compact form, is not invention, but is only the ordinary and anticipated advance in the art by reason of mechanical skill and the enterprise of the manufacturer and salesman. [170]

In fact, the only objects the patent declares are “to provide in one complete unit” an oil burner of these elements, and “as free from friction as possible” by reason of few bearings,—advantages universally sought and indicative of naught but understood skillful aggregation of old elements.

The same is to be said of patent No. 1,285,376. To the aggregation of No. 1,193,819 it adds and attaches the oil supply pump, and for hinge pintles employs pipes for the oil supply, one to drain off any excess oil.

These additions also were at that time ancient in oil burners. The patents pleaded in defense and in evidence disclose every element and incident of complainant’s, save the partition diaphragm or baffle in the fan casing. If this latter serves any purpose, it does not appear, nor any that the side casing of the fan blades will not serve. Hence, to insert this partition involves no invention. See the Dunbar case, 94 U. S.

Having in mind the presumption attaching to the patents, accentuated by the long drawn-out examination and proceedings in the patent office, it is clear that the established and undisputed facts disclose that these grants, in so far as their claims have been put in issue, viz., claims 3, 4, 7, 8, 9, 10, 11, and 12 of No. 1,193,819, and claims 1 to 6 and 14 to 20, all inclusive, of No. 1,285,376, are invalid. [171]

In so far as presumptions go in patent law, they function, as in other branches of law, to dictate the burden of reproducing or going forward with evidence.

In respect to defendant's patent, little has been said for or against it. It seems to be set out more as a counter-irritant, and the actual instrumentality is not in evidence. Whatever its merits, wherein complainant has infringed, if at all, is not particularized. Whether valid or not, the evidence does not prove infringement. And that only is the decision of the Court.

Decree accordingly. Costs to neither party.

BOURQUIN, J.

[Endorsed]: Filed Mar. 28, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.
[172]

In the Southern Division of the United States District Court for the Northern District of California, Third Division.

EQUITY—No. 689.

RAY et al.,

Complainants,

vs.

BUNTING IRON WORKS,

Defendant.

At a stated term, to wit, the March, 1924, term of the above-entitled Court, held at the courtroom thereof in the City and County of San Francisco, State of California, on the — day of March, 1924. Present: The Honorable GEORGE M. BOURQUIN, District Judge, Presiding.

DECREE.

This cause having heretofore come on regularly to be heard upon the pleadings and proofs, documentary and oral, taken and submitted in the cause, the plaintiffs being represented by Chas. E. Townsend, Esq., and the defendant by William K. White, Esq., and the cause having been duly argued and submitted to the Court for its decision and the Court being now fully advised in the premises, it is hereby

ORDERED AND DECREED as follows:

1. Claims 3, 4, 7, 8, 9, 10, 11 and 12 of United States letters patent No. 1,193,819, issued on August 8, 1916, to W. R. Ray for Oil Burners, which patent is one of the patents sued on herein, are and each of them is invalid and void for want of invention. Said claims No. 3, 4, 7, 8, 9, 10, 11 and 12 of said patent No. 1,193,819, are the only claims of said patent charged to have been infringed by defendant herein.

2. Claims 1 to 6, and 14 to 20, inclusive, of United States letters patent No. 1,285,376, issued on November 19, 1918, [173] to W. R. Ray for Oil Burners, which patent is the other patent sued on herein, are, and each of them is invalid and void for want of invention. Said claims 1 to 6, and 14 to 20, inclusive, of said patent No. 1,285,376, are the only claims of said patent charged to have been infringed by the defendant herein.

3. The defendant is the owner of the United States letters patent No. 1,158,058, issued on October 26, 1918, to J. H. King, sued on in the counterclaim and cross-complaint of defendant filed herein.

4. Said patent No. 1,158,058, issued to J. H. King, is not infringed by the plaintiffs.

5. The bill of complaint herein and the cross-complaint of defendant are and each of them is hereby dismissed.

6. Neither of the parties to this suit shall recover any costs herein.

Dated March 31, 1924.

BOURQUIN,
District Judge.

Approved as to form.

CHAS. E. TOWNSEND,
Solicitor for Plaintiffs.

[Endorsed]: Filed and entered March 31, 1924.
Walter B. Maling, Clerk. [174]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),
Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),
Defendant.

PETITION FOR ORDER ALLOWING AP-
PEAL.

To the Honorable Court, Above Entitled:

The above-named plaintiffs, William R. Ray and W. S. Ray Manufacturing Co., conceiving themselves aggrieved by the Decree filed and entered on the 31st day of March, 1924, in the above-entitled cause, does hereby appeal therefrom to the United States Circuit Court of Appeals for the Ninth Judicial Circuit for the reasons and upon the grounds specified in the Assignment of Errors, which is filed herewith, and prays that this Appeal may be allowed, that a citation issue as provided by law, and that a transcript of the record, proceedings, exhibits and papers, upon which said Decree was made and entered as aforesaid, duly authenticated, may be sent to the Circuit Court of Appeals for the Ninth Circuit, sitting at San Francisco.

And your petitioners further pray that an order be made fixing the amount of security which the plaintiffs, William R. Ray and W. S. Ray Manufacturing Co., shall give and furnish upon such appeal.

CHAS. E. TOWNSEND,
Solicitor for Plaintiffs.

Dated: April 1, 1924. [175]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),

Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),

Defendant.

ASSIGNMENT OF ERRORS.

Now comes William R. Ray and W. S. Ray Manufacturing Company, plaintiffs in the above cause in the court below, and appellant herein, by Chas. E. Townsend, Esq., its solicitor and counsel, and says that in the record and proceedings in the said cause in the said court below there is manifest error, and it particularly specifies as to the errors upon which it will rely and which it will urge upon its appeal in the above-entitled cause:

(1) That the District Court of the United States for the Northern District of California, Second Division, erred in dismissing plaintiffs' bill of complaint.

(2) That the District Court of the United States for the Northern District of California, Second Division, erred in finding that the plaintiffs' patent in suit No. 1,193,819, issued August 8, 1916, is lacking in novelty.

(3) That the District Court of the United States for the Northern District of California, Second Division, erred in finding that the plaintiffs' patent in suit No. 1,193,819, issued August 8, 1916, is invalid for lack of invention.

(4) That the District Court of the United States for [176] the Northern District of California, Second Division, erred in dismissing the bill as to said patent.

(5) That the District Court of the United States for the Northern District of California, Second Division, erred in holding that the plaintiffs' patent in suit No. 1,285,376, of November 19, 1918, is invalid for lack of novelty.

(6) That the District Court of the United States for the Northern District of California, Second Division, erred in holding that the plaintiffs' patent in suit No. 1,285,376, of November 19, 1918, is void for lack of invention.

(7) That the District Court of the United States for the Northern District of California, Second Division, erred in dismissing the bill of complaint with respect to said patent.

(8) That the District Court of the United States for the Northern District of California, Second Division, erred in failing to find said patents, and each of them, valid and infringed.

(9) That the District Court of the United States for the Northern District of California, Second Division, erred in not awarding costs to the plaintiffs.

In order that the foregoing Assignment of Errors

may be and appear of record, the plaintiffs present the same to the Court, and prays that such disposition be made thereof as in accordance with the law and statutes of the United States in such cases made and provided.

All of which is respectfully submitted.

CHAS. E. TOWNSEND,
Solicitor for Plaintiffs.

Dated: Apr. 1, 1924.

[Endorsed]: Filed Apr. 5, 1924. Walter B. Mal-
ing, Clerk. By J. A. Schaertzer, Deputy Clerk.
[177]

In the Southern Division of the United States Dis-
trict Court for the Northern District of Cali-
fornia, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFAC-
TURING CO. (a Corporation),

Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),

Defendant.

ORDER ALLOWING APPEAL.

The foregoing petition for appeal is allowed upon the petitioners filing a bond in the sum of Three

Hundred Dollars (\$300.00), with sufficient sureties, to be conditioned as required by law.

BOURQUIN,
Judge.

Dated: April 1, 1924. [178]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),

Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),

Defendant.

BOND ON APPEAL.

KNOW ALL MEN BY THESE PRESENTS: That we, William R. Ray, individually, and W. S. Ray Manufacturing Co., a California corporation, as principal, and the Fidelity and Deposit Co. of Maryland, a corporation created, organized and existing under and by virtue of the laws of the State of Maryland, as surety, are held and firmly bound unto the above-named appellee, Bunting Iron Works, a corporation, in the sum of Three Hundred Dollars (\$300.00), in lawful money of the United States of America, for the payment of which well and truly to be made unto the said appellee, its suc-

cessors and assigns, we bind ourselves, our successors and assigns, jointly and severally, firmly by these presents, conditioned that

WHEREAS, on the 31st day of March, 1924, in the Southern Division of the United States District Court for the Northern District of California, Second Division, in a suit pending in that court, wherein William R. Ray, individually, and W. S. Ray Manufacturing Co., were the plaintiffs and the [179] said Bunting Iron Works, was the defendant, numbered on the Equity Docket as 689, a decree was rendered, which in part was against the said William R. Ray and W. S. Ray Manufacturing Co., and

WHEREAS, said William R. Ray and W. S. Ray Manufacturing Co., having obtained an appeal to the United States Circuit Court of Appeals for the Ninth Circuit, to reverse a portion of the said Decree, which said Decree was entered in the United States District Court on the 31st day of March, 1924, and an appeal allowed, and citation directed to the said appellee, citing and admonishing it to be and appear at a session of the United States Circuit Court of Appeals for the Ninth Circuit.

NOW, THEREFORE, the condition of this obligation is such that if the above-named appellants shall prosecute said appeal to effect and answer all costs, if they fail to make their plea good, then the above obligation to be void; else to remain in full force and virtue.

Dated April 5, 1924.

WILLIAM R. RAY,
W. S. RAY MANUFACTURING CO. (Seal)

By WILLIAM R. RAY,
President,

MILTON S. RAY,
Secretary.

FIDELITY AND DEPOSIT CO. OF
MARYLAND. [Seal]

By C. K. BENNETT,
Attorney-in-Fact.

Attest: E. K. AVELON,
Agent.

Approved:

BOURQUIN,
Judge.

[Endorsed]: Filed Apr. 5, 1924. Walter B. Mal-
ling, Clerk. By J. A. Schaertzer, Deputy Clerk.
[180]

In the Southern Division of the United States Dis-
trict Court for the Northern District of Cali-
fornia, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFAC-
TURING CO. (a Corporation),
Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),
Defendant.

ORDER ALLOWING WITHDRAWAL OF
ORIGINAL EXHIBITS.

On motion of Chas. E. Townsend, Esq., solicitor for plaintiffs, and good cause appearing therefor, it is by the Court now ordered:

That all the exhibits in the above-entitled case, both plaintiffs' exhibits and defendant's exhibits, including models, drawings, copies of patents, books and printed publications, and which are impracticable to have copied or duplicated, be, and they are hereby allowed to be withdrawn from the files of this Court in said case and transmitted by the Clerk of this Court to the United States Circuit Court of Appeals for the Ninth Circuit as a part of the record upon appeal for the plaintiffs herein to the said Circuit Court of Appeals; said original exhibits to be returned to the files of this Court upon the determination of said appeal by said Circuit Court of Appeals.

BOURQUIN,
Judge.

Dated: April 1, 1924.

[Endorsed]: Filed Apr. 1, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.
[181]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

IN EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),
Plaintiffs,

vs.

BUNTING IRON WORKS (a Corporation),
Defendant.

PRAECIPE FOR TRANSCRIPT ON APPEAL.

To the Clerk of the United States District Court:

Please incorporate the following papers, documents and exhibits in the transcript of record on appeal in the above-entitled cause, omitting title of cause and omitting copying of all documentary exhibits, as specified below:

- (1) Bill of complaint.
- (2) Answer of defendant.
- (3) Answer of plaintiff to counterclaim.
- (4) Memo opinion of District Judge Bourquin.
- (5) Interlocutory Decree dated March 31st, 1924.
- (6) Transcript of the evidence in the exact words of witnesses, and all proceedings at the trial of said cause.
- (7) Petition for order allowing appeal.
- (8) Order allowing appeal.
- (9) Assignment of errors.

- (10) Order allowing withdrawal of original exhibits.
- (11) All original exhibits in the case. [182]
- (12) Bond on appeal.
- (13) Citation of plaintiff-appellee.
- (14) Praecipe for transcript on appeal.

CHAS. E. TOWNSEND,
Solicitor for Plaintiff-Appellant.

Dated April 1, 1924.

Service of copy of the within praecipe for transcript on appeal made by leaving a copy at the office of Wm. K. White, solicitor for defendant, appellee, Crocker Bldg., San Francisco, California, this 5th day of April A. D. 1924.

WM. S. GRAHAM,
For CHAS. E. TOWNSEND,
Solicitor for Plaintiff.

[Endorsed]: Filed Apr. 5, 1924. Walter B. Mal-
ing, Clerk. By J. A. Schaertzer, Deputy Clerk.
[183]

[Title of Court and Cause.]

DEFENDANT AND CROSS-COMPLAINANT
BUNTING IRON WORKS' CONDENSED
STATEMENT OF THE EVIDENCE UN-
DER EQUITY RULE 75, ON APPEAL OF
SAID DEFENDANT AND CROSS-COM-
PLAINANT.

This cause came on regularly for trial and final hearing on the 12th day of March, 1924, in the above-entitled court held in the City and County of

San Francisco, State of California, before Honorable George M. Bourquin, United States District Judge for the District of Montana; sitting by special appointment to hold court in the above-entitled court, Charles E. Townsend, Esq., appearing as attorney for plaintiffs and cross-defendants and William K. White, Esq., appearing as attorney for defendant and cross-complainant, and thereupon the following proceedings were had.

It was stipulated that the corporation parties, to wit: W. S. Ray Manufacturing Co. and Bunting Iron Works, were and are corporations as alleged in the pleadings herein.

It was stipulated that defendant and cross-complainant Bunting Iron Works was and is the sole owner of United States letters patent No. 1,158,058, issued on October 26, 1915, for "Centrifugal Burner," together with all causes of action for the past infringement thereof, as alleged in the cross-complaint of Bunting Iron Works.

It was stipulated that uncertified Patent Office copies be received in evidence with the same force and effect as though the originals thereof and that the respective filing dates of the applications therefor appearing thereof be deemed proof of such dates.

Thereupon counsel for defendant and cross-complainant, Bunting Iron Works, offered in evidence such a copy of said United States letters patent No. 1,158,058 and the same was admitted and received in evidence and marked Defendant's Exhibit "Z"

and said exhibit is hereby referred to and by [184] this reference thereto made a part hereof.

Counsel for defendant and cross-complainant offered in evidence a catalogue of cross-defendant W. S. Ray Manufacturing Co. and the same was admitted in evidence and marked Defendant's Exhibit "A" and said exhibit is hereby referred to and by such reference thereto is made a part hereof.

It was stipulated that within six years prior to the filing of the cross-complaint herein and prior to the filing of the complaint herein and within the State of California, plaintiffs and cross-defendants William R. Ray and W. S. Ray Manufacturing Co. made and sold oil burner devices as disclosed, illustrated and described in said catalog Defendant's Exhibit "A."

Counsel for defendant and cross-complainant offered in evidence a certified copy of the complaint, answer and order of dismissal in the suit brought in the above-entitled court and entitled "American Standard Oil Burner Co. vs. W. S. Ray Manufacturing Co., No. 239—In Equity," and the same were admitted and received in evidence and marked Defendant's Exhibit "KK," and said exhibit is hereby referred to and by such reference thereto is made a part hereof.

Counsel for plaintiffs and cross-defendants offered in evidence a certified copy of the file-wrapper and contents of United States letters patent No. 1,158,058, issued October 25, 1915, for "Centrifugal Burner" and the same was admitted and received in evidence and marked Plaintiffs' Exhibit 6 and

said exhibit is hereby referred to and by such reference thereto is made a part hereof.

Counsel for plaintiffs and cross-defendants also offered in evidence Plaintiff's Exhibit 29 and the same was admitted and received in evidence and said exhibit is hereby referred to and by such reference thereto is made a part hereof.

WM. K. WHITE,
CHAS. M. FRYER,

Solicitors and Counsel for Defendant and Cross-Complainant Bunting Iron Works. [185]

[Title of Court and Cause.]

PETITION OF DEFENDANT AND CROSS-COMPLAINANT, BUNTING IRON WORKS, FOR ORDER ALLOWING APPEAL.

The defendant and cross-complainant herein, Bunting Iron Works, feeling itself aggrieved by the decree made and entered in the above-entitled suit on the 31st day of March, 1924, wherein and whereby it is ordered and decreed that United States letters patent No. 1,158,058, issued on October 26, 1918, and owned by said defendant and cross-complainant, Bunting Iron Works, had not been and is not infringed by the plaintiffs and cross-defendants or either of them, comes now by its solicitors and counsel and prays this Court for an order allowing the said defendant and cross-complainant to prosecute an appeal from the said decree to the Honorable United States Circuit Court of Appeals for the Ninth Circuit, under and according to

the laws of the United States in that behalf made and provided.

WM. K. WHITE,

CHAS. M. FRYER,

Solicitors and Counsel for Defendant and Cross-complainant, Bunting Iron Works.

[Endorsed]: Filed Apr. 12, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [186]

[Title of Court and Cause.]

ASSIGNMENT OF ERRORS OF DEFENDANT
AND CROSS-COMPLAINANT, BUNTING
IRON WORKS.

Now comes Bunting Iron Works, the defendant and cross-complainant herein, and specifies and assigns the following as the errors upon which it will rely upon its appeal to the United States Circuit Court of Appeals for the Ninth Circuit and from the final decree made and entered in the above-entitled cause by this Honorable Court on the 31st day of March, 1924, adjudging and decreeing that United States letters patent No. 1,158,058, issued on October 26, 1918, to American Standard Oil Burner Co. and owned by said defendant and cross-complainant, had not been and is not infringed by plaintiffs and cross-defendants herein or by either of them.

1. The above-entitled court, to wit, the United States District Court for the Southern Division of the Northern District of California, Third Division,

erred in adjudging and decreeing that United States letters patent No. 1,158,058, issued on October 26, 1918, and owned by said defendant and cross-complainant had not been and is not infringed by William R. Ray and W. S. Ray Manufacturing Co. (a corporation), plaintiffs and cross-defendants herein or by either of them, as alleged in defendant's cross-complaint herein.

2. Said Court erred in dismissing defendant's cross-complaint herein, wherein it sued on and charged infringement by plaintiffs and cross-defendants of said letters patent No. 1,158,058.

3. Said Court erred in not adjudging and decreeing that plaintiffs and cross-defendants had infringed claim 1 of said letters patent No. 1,158,058.

4. Said Court erred in not adjudging and decreeing that plaintiffs and cross-defendants had infringed claim 2 of said letters patent No. 1,158,058.
[187]

5. Said Court erred in not adjudging and decreeing that plaintiff and cross-defendant W. S. Ray Manufacturing Co. had infringed claim 1 of said letters patent No. 1,158,058.

6. Said Court erred in not adjudging and decreeing that plaintiff and cross-defendant W. S. Ray Manufacturing Co. had infringed claim 2 of said letters patent No. 1,158,058.

7. Said Court erred in not adjudging and decreeing that plaintiff and cross-defendant W. S. Ray Manufacturing Co. had infringed said letters patent No. 1,158,058.

8. Said Court erred in decreeing that defendant

and cross-complainant should not recover any costs in this suit.

In order that the foregoing assignment of errors may be and appear of record, the said defendant and cross-complainant presents the same to the Court and prays that such disposition may be made thereof as is in accordance with the laws of the United States.

WHEREFORE said defendant and cross-complainant prays that said decree be reversed and that said United States District Court in and for the Southern Division of the Northern District of California, Third Division, be directed to enter a decree in favor of defendant and cross-complainant and against the plaintiffs and cross-defendants William R. Ray and W. S. Ray Manufacturing Co. (a corporation), and each of them, in the usual form, adjudging and decreeing said United States letters patent No. 1,158,058 valid and infringed by said plaintiffs and cross-defendants and each of them as alleged in defendant's cross-complaint herein granting to defendant and cross-complainant all other relief prayed for in its said cross-complaint, and referring the cause to a Master in Chancery for an accounting of damages and profits.

All of which is respectfully submitted.

W. K. WHITE,
CHAS. M. FRYER,

Solicitors and Counsel for Defendant and Cross-complainant, Bunting Iron Works.

[Endorsed]: Filed Apr. 12, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.

[Title of Court and Cause.]

ORDER ALLOWING APPEAL OF DEFENDANT AND CROSS-COMPLAINANT, BUNTING IRON WORKS.

In the above-entitled case, the defendant and cross-complainant, Bunting Iron Works, having filed its petition for an order allowing an appeal, together with an assignment of errors,

Now, upon motion of William K. White, Esq., solicitor for defendant and cross-complainant, it is ordered that the said appeal be and the same is hereby allowed to said defendant and cross-complainant to the United States Circuit Court of Appeals for the Ninth Circuit, from the decree entered herein on the 31st day of March, 1924, wherein and whereby it is ordered and decreed that United States letters patent No. 1,158,058, issued on October 26, 1918, and owned by said defendant and cross-complainant, Bunting Iron Works, is not infringed by the plaintiffs and cross-defendants or either of them and that the amount of the cost bond of defendant and cross-complainant on said appeal shall be and is hereby fixed at the sum of Three Hundred Dollars (\$300.00).

It is further ordered that upon the giving of such cost bond a certified transcript of the record and proceedings herein be forthwith transmitted to said United States Circuit Court of Appeals.

BOURQUIN,
Judge.

Dated: April 12, 1924.

[Endorsed]: Filed Apr. 12, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [189]

In the United States District Court, in and for the Southern Division of the Northern District of California, Third Division.

EQUITY—No. 689.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),
Plaintiffs and Cross-defendants,
vs.

BUNTING IRON WORKS, a Corporation,
Defendant and Cross-complainant.

BOND ON APPEAL OF DEFENDANT AND
CROSS-COMPLAINANT BUNTING IRON
WORKS.

KNOW ALL MEN BY THESE PRESENTS: That Globe Indemnity Company, a corporation organized and existing under and by virtue of the laws of the State of New York and duly licensed to transact a suretyship business in the State of California, is held and firmly bound in the penal sum of Three Hundred Dollars (\$300.00), to be paid to William R. Ray and W. S. Ray Manufacturing Co. (a corporation), their successors or assigns, for which payment, well and truly to be made, the undersigned binds itself, its successors and assigns, firmly by these presents.

The condition of the foregoing bond is such, that
WHEREAS, the Bunting Iron Works (a corporation), defendant in the above-entitled suit, has taken an appeal to the United States Circuit Court of Appeals for the Ninth Circuit to reverse the decree made and entered on the 31st day of March, 1924, by the United States District Court in and for the Southern Division of the Northern District of California, Third Division, in the above-entitled suit.

NOW, THEREFORE, the condition of the foregoing obligation is such that if the said Bunting Iron Works shall prosecute its said appeal to effect and shall answer all damages and costs, if it [190] shall fail to make its plea good, then this obligation shall be void, otherwise to remain in full force and effect.

Dated at San Francisco, California, April 12th, 1924.

GLOBE INDEMNITY COMPANY,

[Corporate Seal]

By JOHN H. ROBERTSON,

Its Attorney-in-Fact.

Approved, April 16, 1924.

BOURQUIN,

Judge.

[Endorsed]: Filed April 16, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.

[191]

[Title of Court and Cause.]

PRAECIPE OF DEFENDANT AND CROSS-COMPLAINANT, BUNTING IRON WORKS, FOR TRANSCRIPT OF RECORD ON APPEAL OF SAID DEFENDANT AND CROSS-COMPLAINANT.

To the Clerk of the Above-entitled Court:

Please incorporate the following papers, documents and exhibits in the transcript of record on appeal in the appeal of defendant and cross-complainant, Bunting Iron Works, in the above-entitled cause:

1. Bill of complaint.
2. Answer and cross-complaint filed with said answer.
3. Answer of plaintiffs and cross-defendants, William R. Ray and W. S. Ray Manufacturing Co. (a corporation), to defendant's cross-complaint.
4. Opinion of District Judge Bourquin, dated March 27, 1924, and filed herein.
5. Decree dated and filed herein March 31, 1924.
6. Defendant and cross-complainant Bunting Iron Works' statement of the evidence under Equity Rule 75, on appeal of said defendant, and stipulation and order annexed thereto in re record on appeal.
7. Petition of defendant and cross-complainant, Bunting Iron Works, for order allowing appeal.
8. Order allowing appeal of defendant and cross-complainant, Bunting Iron Works.

9. Assignment of errors of defendant and cross-complainant, Bunting Iron Works.

10. Order dated and filed herein April 12, 1924, allowing withdrawal of original exhibits.

11. The following original exhibits offered and received in evidence at the trial of said cause:

- (a) Defendant's Exhibit "A"
- (b) Defendant's Exhibit "Z" [192]
- (c) Defendant's Exhibit "KK"
- (d) Plaintiff's Exhibit 6
- (e) Plaintiff's Exhibit 29

none of said exhibits to be copied into the transcript of record on this appeal but all of them to be transmitted to the United States Circuit Court of Appeals for the Ninth Circuit as part of said record, pursuant to the orders for such transmission on file herein.

12. Bond of defendant and cross-complainant, Bunting Iron Works, on appeal of said defendant and cross-complainant.

13. Citation on appeal of defendant and cross-complainant, Bunting Iron Works.

14. Praecept of defendant and cross-complainant, Bunting Iron Works, on appeal of said defendant.

WM. K. WHITE,
CHAS. M. FRYER,

Solicitors and Counsel for Defendant and Cross-complainant Bunting Iron Works.

[Endorsed]: Filed April 15, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [193]

[Title of Court and Cause.]

PRAECIPE OF DEFENDANT AND CROSS-
COMPLAINANT BUNTING IRON WORKS
FOR TRANSCRIPT ON APPEAL OF
PLAINTIFFS AND CROSS-DEFEND-
ANTS.

To the Clerk of the United States District Court:

Please incorporate the following papers and documents in the transcript of record on the appeal of plaintiffs and cross-defendants in the above-entitled cause:

1. Opinion of District Judge Bourquin, dated March 27, 1924, and filed herein.
2. Final Decree, dated and filed herein March 31, 1924.
3. Stipulation and order annexed to condensed statement of defendant and cross-complainant on file herein.

WM. K. WHITE,
CHAS. M. FRYER,

Solicitors and Counsel for Defendant and Cross-complainant.

[Endorsed]: Filed Apr. 15, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.

[194]

[Title of Court and Cause.]

ORDER ALLOWING WITHDRAWAL OF
ORIGINAL EXHIBITS FOR USE ON AP-
PEAL OF DEFENDANT AND CROSS-
COMPLAINANT, BUNTING IRON WORKS.

On motion for counsel for defendant and cross-complainant, Bunting Iron Works, and good cause appearing therefor, it is hereby

ORDERED that the original exhibits offered in evidence herein in respect to the issues raised by the cross-complaint and answer thereto filed herein, to wit, "Defendant's Exhibit "A," Defendant's Exhibit "Z" and Defendant's Exhibit "KK," may be withdrawn from the files of the above-entitled court and of the Clerk thereof and by said Clerk transmitted to the United States Circuit Court of Appeals for the Ninth Circuit as a part of the record on the appeal herein of defendant and cross-complainant, Bunting Iron Works; the said original exhibits to be returned to the files of this Court upon the determination of said appeal.

BOURQUIN,
Judge.

Dated: April 12, 1924.

[Endorsed]: Filed April 12, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.
[195]

STIPULATION IN RE RECORD ON APPEALS
HEREIN.

It is hereby stipulated and agreed that, in addition to the foregoing condensed statement of defendant and cross-complainant, the appeal herein of said defendant and cross-complainant may be heard on such other portions of the record, evidence and proofs herein as may be competent, relevant and material with respect to the issues raised by the cross-complaint and answer thereto on file herein; the defendant and cross-complainant reserving the objection that no other portion or portions of said record, evidence or proofs are competent, relevant or material in respect to said issues; it is further stipulated and agreed, subject to the approval of the Court, that, in order to save expense and avoid duplication of the record, that the transcript of evidence may be set out in the form of question and answer and that one record serve for both parties and that the expense of said appeal and cross-appeal be divided equally between the parties both in this court and in the Circuit Court of Appeals.

CHAS. E. TOWNSEND,
WM. A. LOFTUS,

Solicitors for Plaintiffs and Cross-defendants.

WM. K. WHITE,
CHAS. M. FRYER,

Solicitors for Defendants and Cross-complainants.

Dated: April 15th, 1924.

IT IS HEREBY ORDERED that the foregoing annexed statement of evidence and stipulation in the above-entitled suit be and the same is hereby approved.

BOURQUIN,
Judge.

[Endorsed]: Filed Apr. 16, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [196]

[Title of Court and Cause.]

CERTIFICATE OF CLERK U. S. DISTRICT
COURT TO RECORD ON APPEAL.

I, Walter B. Maling, Clerk of the District Court of the United States, in and for the Northern District of California, do hereby certify the foregoing one hundred ninety-six (196) pages, numbered from 1 to 196, pages, numbered from 1 to 196, inclusive, to be a full, true and correct copy of the record and proceedings in the above-entitled suit, as the same remains of record and on file in the office of the clerk of said court, and that the same constitutes the record on appeal to the United States Circuit Court of Appeals, for the Ninth Circuit.

I further certify that the cost of the foregoing transcript of record is \$88.50; that said amount was paid by the plaintiff and defendant and that the original citations issued in said suit are hereto annexed.

ing court for the Northern District of California, this 22d day of April, A. D. 1924.

BOURQUIN,

United States District Judge.

Receipt of a copy of the within citation on appeal admitted this 25th day of April, 1924.

WM. K. WHITE,

CHAS. M. FRYER,

Solicitors for Defendant-Appellee, Bunting Iron Works (a Corporation).

[Endorsed]: In Equity—No. 689. United States District Court for the Northern District of California. William R. Ray and W. S. Ray Manufacturing Co. (a Corporation), Appellants, vs. Bunting Iron Works (a Corporation), Appellee. Citation on Appeal. Filed Apr. 25, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [198]

UNITED STATES OF AMERICA,—ss.

CITATION (WILLIAM R. RAY AND W. S. RAY MANUFACTURING COMPANY).

The President of the United States, to William R. Ray and W. S. Ray Manufacturing Co., a Corporation, GREETING:

You are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals for the Ninth Circuit, to be holden at the City of San Francisco, in the State of California, within thirty days from the date hereof, pursuant to an order allowing an appeal, of record in the Clerk's

Office of the United States District Court for the Northern District of California, wherein Bunting Iron Works, a corporation, is appellant, and you are appellees, to show cause, if any there be, why the decree rendered against the said appellant, as in the said order allowing appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

WITNESS the Honorable GEORGE M. BOURQUIN, United States District Judge for the District of Montana, designated to hold and holding this Court this 21st day of April, A. D. 1924.

BOURQUIN,

United States District Judge.

Receipt of a copy of the within Citation this 22d day of April, 1924, is hereby acknowledged.

CHAS. L. TOWNSEND,

WM. A. LOFTUS,

Solicitors and Counsel for William R. RAY and
W. S. Ray Manufacturing Co. (a Corporation),
Appellees.

[Endorsed]: No. 689—Eq. United States District Court for the Northern District of California. Bunting Iron Works, a Corporation, Appellant, vs. William R. Ray et al. Citation on Appeal. Filed Apr. 22, 1924. Walter B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [199]

[Endorsed]: No. 4256. United States Circuit Court of Appeals for the Ninth Circuit. William R. Ray and W. S. Ray Manufacturing Company,

a Corporation, Appellants and Cross-Appellees, vs. Bunting Iron Works, a Corporation, Appellee and Cross-Appellant. Transcript of Record. Upon Appeals from the Southern Division of the United States District Court for the Northern District of California, Third Division.

Filed May 20, 1924.

F. D. MONCKTON,

Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

In the United States Circuit Court of Appeals for
the Ninth Circuit.

No. 4256.

WILLIAM R. RAY and W. S. RAY MANUFACTURING CO. (a Corporation),

Appellants and Cross-Appellees,

vs.

BUNTING IRON WORKS (a Corporation),

Appellee and Cross-Appellant.

STIPULATION AND ORDER WAIVING
PRINTING OF DOCUMENTARY EXHIBITS.

It is hereby stipulated by the parties to the above-entitled cause, subject to the approval of the Court, that none of the documentary exhibits included in

the record on appeal in said cause be printed or reproduced in the printed record in said cause.

CHAS. E. TOWNSEND,

WM. A. LOFTUS,

Solicitors for Appellee and Cross-Appellant.

W. K. WHITE,

CHAS. M. FRYER,

Solicitors for Appellee and Cross-Appellees.

Dated: June 17, 1924.

Approved.

HUNT,

U. S. Circuit Judge.

[Endorsed]: No. 4256. In the United States Circuit Court of Appeals for the Ninth Circuit. William R. Ray and W. S. Ray Manufacturing Co. (a Corporation), Appellants and Cross-Appellees, vs. Bunting Iron Works (a Corporation), Appellee and Cross-Appellant. Stipulation and Order Waiving Printing of Documentary Exhibits. Dated May, 1924. Filed Jun. 20, 1924. F. D. Monckton, Clerk. By Paul P. O'Brien, Deputy Clerk.

No. 4256

IN THE

United States Circuit Court of Appeals 10

For the Ninth Circuit

WILLIAM R. RAY and W. S. RAY MANUFACTURING COMPANY (a corporation),
Appellants and Cross-Appellees,
vs.
BUNTING IRON WORKS (a corporation),
Appellee and Cross-Appellant.

On Ray
Rotary
Oil Burner
Patents
No. 1,193,819
No. 1,285,376

BRIEF FOR PLAINTIFFS-APPELLANTS.

CHAS. E. TOWNSEND,
WM. A. LOFTUS,
Attorneys for Plaintiffs-Appellants.

FILED
OCT 8 1924
F. D. MONGKTON
CLERK

Subject Index

	Page
Statement	1
The Defenses	3
Assignment of Errors.....	9
The Ray Patents.....	9
First Ray Patent 1,193,819, Dated August 8th, 1916 (Application filed November 30th, 1914).....	13
Axial Columnar Form of Flame Further Emphasized....	14
File Wrapper of Patent No. 1,193,819.....	15
Second Ray Patent, No. 1,285,376, Dated November 19th, 1918 (Application filed May 8th, 1916).....	17
File Wrapper (Exhibit 5) of Ray Patent No. 1,285,376..	23
Invention	24
The Court's Opinion Analyzed.....	25
The Law as to Invention and Combination Claims.....	28
Value of the Diaphragm or Baffle.....	30
History of the Ray Invention.....	32
Ray Invention Conceived in 1913; Reduced to Practice March and April, 1914.....	33
First Model 1913 Burner did not have the Diaphragm Result: Loss of Pressure.....	34
Reduction to Practice March, 1914, Not Disputed.....	35
The Second Ray Burner, September, 1914.....	35
Extent of Use.....	37
Ray Exhibited his Burners Freely at the Panama-Pacific International Exposition; and Defendant's Predecessor Proceeded Forthwith to Copy it.....	37
Conduct of Defendant in Adopting the Patented Device is Proof of Invention.....	39
History of the Defendant's Burner Business.....	41
DeLaney's Article in "Fuel Oil", May, 1923 (Exhibit 18-R. 137), as an Admission Against Defendant's Con- tention of Lack of Invention.....	43
(1) Oil as a Substitute for Coal—The Straight-Shot Steam Burner.....	43
(2) High Pressure Air Compressor Next Development..	43
(3) Lower Pressure Large Volume Blower Next Step...	44
(4) Continuing, DeLaney says.....	44

	Page
(5) The Fess-Becker-King Vertical Rotary Burner Next Step	45
(6) The Ray-Infringing Simplex the Next Step.....	45
The Evidence.....	47
Same Advantages Inherent in Infringing Simplex.....	51
Both Plaintiffs' and Defendant's Structures Follow the Ray Patents and Both Are Substantial Equivalents....	52
Machines Identical Even as to Oil Connections.....	53
The Term "High Pressure Air" as Applied to Ray Burners	56
The Prior Art.....	58
Vertical and Horizontal Rotary Types of Burners Operate on Different Principles.....	59
Different Types of Fans—The Propulsion Type; The Centrifugal Type.....	61
Klein Patent, Atomizer No. 473,759, Dated April 26th, 1892	63
Klein a "Propulsion" Type of Fan.....	64
Miscellaneous Prior Art.....	66
Kinney Patent No. 315,145, April 7, 1885 (Exhibit D)...	66
Collins Patent No. 426,713, April 29, 1890 (Exhibit E)...	67
Leyson Patent No. 530,539, December 11, 1896 (Exhibit G)	67
Eddy Patent No. 540,650 and No. 540,651, June 11, 1895 (Exhibits H and I).....	67
Mack Patent No. 548,657, October 29, 1895 (Defendant's Exhibit J).....	69
Hamman Patent No. 563,483, July 7, 1896 (Defendant's Exhibit K), and No. 790,560, September 12, 1905 (Exhibit P).....	76
Thom Patent No. 668,236, February 19, 1901 (Exhibit I) ..	77
Anderson Patent No. 719,716, February 3, 1903 (Exhibit M).....	77
Gibbs Patent No. 752,900, February 23, 1904 (Exhibit N) ..	77
Gordejeff Patent No. 764,718, July 12, 1904 (Exhibit O) ..	77
Johnson Patent No. 1,009,525, November 21, 1911 (Exhibit Q).....	77
Gordon Patent No. 1,085,334, January 27, 1914 (Exhibit T)	77
Different Types of Vertical Rotary Burners.....	79
Defendant's Expert DeLaney Corroborates Whaley on All Material Points as to Differences Between Prior Art	

	Page
Patents on the One Hand and the Plaintiff's Patents and Defendant's Infringing Machine on the Other.....	83
Defendant's Expert Distinguishes Between Fesler and Becker and King and Draws Fine Distinctions Between Different Shapes of Cup Which go to Disprove Anticipation of Plaintiff's Patents.....	84
DeLaney Admits that Becker also Projected a Saucer-Shaped Flame.....	86
Limit of Fan Speed Reached When Fan Slips or Cuts Through the Air.....	87
DeLaney Admits Fesler Different in Principle From Ray and Infringing Simplex But Seeks to Maintain Similarity Between Becker and Ray and Simplex.....	89
Defendant Evades the "Best Reference Test".....	91
The Question of Invention and Mechanical Equivalency Is Often Determined by Considering Whether the Infringing Device Is More Like That of the Patent in Suit Than Those Devices Claimed to Anticipate the Patent.....	93
Theoretical Modifications of the Prior Art Are Not Permissible Under the Law to Make Out Anticipation.....	94
Presumption of Validity Strengthened by Citation of Large Number of Patents by Defense.....	95
Defenses of Alleged Prior Uses and Prior Invention.....	96
The Witt So-Called Prior Use.....	97
The Witt Device a Failure—Also Subsequent to Ray's Invention	98
Witt Flame a Saucer-Like Flame.....	99
The King 1911 Experimental Device and Drawing.....	100
King as an Abandoned Experiment.....	101
Experimental Device Tested and Put Away and Forgotten Until the Emergency of This Suit Arose.....	103
Drawings and Models, Particularly for Anticipation Purposes, Not Evidence of Invention so as to Defeat the Regularly Issued Patents of Plaintiffs.....	104
The King 1911 Concept Different in Principle from Ray...	107
The 1911 Device Never Patented.....	109
King's Company Active During the Interim With Burners of Another Type.....	109
Reasonable Diligence.....	112
Julius H. Becker Refutes King.....	113

	Page
Ray the First Inventor as Against the King Patent.....	118
Defendant's Counter-Claim.....	118
Joseph H. King, Centrifugal Burners, No. 1,158,058, Dated October 26, 1915 (Application filed March 23, 1914)	120
The King File Wrapper.....	124
Infringement of First Ray Patent.....	128
Claims Sued on.....	129
General Claims of Group 1.....	129
Claims of Group 2.....	132
Infringement of Second Ray Patent.....	134
Group 1.....	134
Group 21 for the Oil Supply and Oil Excess Return Through the Hinges.....	136
Conclusion	139

Plaintiffs' Exhibits

Exhibit No.	Record Page
1 Simplex infringing burner.....	56
2 Ray Patent No. 1,193,819, August 8, 1916.....	56
3 Ray Patent No. 1,285,376, November 19, 1918.....	56
4 File wrapper and contents of Ray Patent No. 1,193,819.....	57
5 File wrapper and contents of Ray Patent No. 1,285,376.....	57
6 File wrapper King Patent No. 1,158,058, October 26, 1915.....	57
7 Commercial Ray Burner.....	61
8 Enlargement of second Ray Patent.....	62
9 Cross section of another figure of same patent....	64
10 Fan element of a Ray Burner.....	} 66
11 Housing element of a Ray Burner.....	
12 Cover element of a Ray Burner.....	
13 Drawing of defendant's burner.....	67
14 Drawing of exterior of defendant's burner showing hinging.....	69- 70
15 Enlargement of first Ray Patent No. 1,193,819.....	71
16 Enlargement of cut from Simplex Catalogue (King)	131
17 Enlargement of Becker Simplex.....	131-132
18 Photostat of pages 13, 14 and 15 of May, 1923, issue of "Fuel Oil", Vol. 1, No. 11.....	137-138
19 Enlargement of water method burner of defendant's predecessor.....	148
20 Inside back cover of "Architect and Engineer" of October, 1915.....	152
21, 22, 23 Parts of original Ray Burner.....	177
25, 26 First Ray drawings.....	177
27 1914-15 Ray circular distributed at the Panama-Pacific International Exposition.....	183
28 Enlargement of cut of Exhibit 20 showing belt-drive of American Standard Oil Burner Company.	187
29 "Naval Liquid Fuel Report".....	204
30 Becker Patents No. 1,114,848, October 27, 1914; No. 1,068,037, July 22, 1913; No. 989,828, April 18, 1911; No. 1,126,354, No. 1,078,986, Nov. 18, 1913..	205

Defendant's Exhibits

	Record Page
A Plaintiffs' Catalog "Ray Rotary Fuel Oil Burners"	56
B Cook Patent No. 73,506, January 21, 1868.....	79
C DeLandsee Patent No. 100,268, March 1, 1870.....	80
D Kinney Patent No. 315,145, April 7, 1885.....	80
E Collins Patent No. 426,713, April 29, 1890.....	80
F Klein Patent No. 473,759, April 26, 1892.....	80
G Leyson Patent No. 530,539, December 11, 1894....	80
H Eddy Patent No. 540,650, June 11, 1895.....	80
I Eddy Patent No. 540,651, June 11, 1895.....	80
J Mack Patent No. 548,647, October 29, 1895.....	80
K Hammam Patent No. 563,483, July 7, 1896.....	80
L Thom Patent No. 668,236, February 19, 1901.....	80
M Anderson Patent No. 719,716, February 3, 1903...	80
N Gibbs Patent No. 752,900, February 23, 1904.....	80
O Gordejeff Patent No. 764,718, July 12, 1904.....	80
P Hammam Patent No. 799,560, September 12, 1905..	80
Q Johnson Patent No. 1,009,525, November 21, 1911..	80
R Britten Patent No. 1,022,122, April 2, 1912.....	80
S Fesler Patent No. 1,026,663, May 21, 1912.....	81
T Gordin Patent No. 1,085,334, January 27, 1914....	81
U Becker Patent No. 1,095,447, May 5, 1914.....	81
V Becker Patent No. 1,101,779, June 30, 1914.....	81
W Britten Patent No. 1,102,387, July 7, 1914.....	81
X Fesler Patent No. 1,113,108, October 6, 1914.....	81
Y Shore Patent No. 1,157,964, October 26, 1915.....	81
Z King Patent No. 1,158,058, October 26, 1915.....	81
AA Serrell Patent No. 965,025, 1910.....	81
BB Harker Patent No. 993,985, May 30, 1911.....	81
CC Fess Catalogue of March 16, 1911.....	106
DD American Heat & Power Co. Catalogue, March 20, 1914	107
EE King-Becker drawing (August 3, 1911).....	142
FF King-Becker 1911 device.....	144
GG "Handbook for Architects and Heating Engi- neers, Copyrighted in 1914".....	144
HH Bulletin of G. E. Witt Company.....	165
II Witt burner head.....	166

Table of Cases Cited

	Pages
Anderson v. Collins, 122 Fed. 451-458.....	140
Anderson v. Potts, 108 Fed. 379 (7th C. C. A.).....	129
Asbestos Shingle, Slate & Sheathing Co. v. H. W. Johns- Manville Co., 184 Fed. 620, 626.....	75
Automatic v. Pneumatic, 166 Fed. 298.....	107, 116
American Wood Paper Co. v. Fiber Disintegrating Co., 23 Wall. 566; 23 L. Ed. 31.....	116
Barbed Wire Patent, 143 U. S. 282.....	75, 117
Brill v. North Jersey St. Ry. Co., 124 Fed. 778, 780.....	17
Bell v. People's Telephone Co., 22 Fed. 309.....	117
Brown v. Guild, 23 Wall. 181; 23 L. Ed. 161.....	117
Cleveland Foundry Co. v. Detroit Co., 131 Fed. 853, 858 (C. C. A.).....	141
Cantrell v. Walliek, 117 U. S. 679.....	24, 117
Cimotti Unhairing Co. v. American Unhairing Machine Co., 115 Fed. 500.....	75
Coffin v. Ogden, 18 Wall. 120, 21 L. Ed. 821.....	103, 117
Christie v. Seybold, 55 Fed. Reporter 69, at 77.....	112
Clark Thread Co. v. Willimantic Linen Co., 140 U. S. 481, 493; 35 L. Ed. 525.....	113
Corrington v. Westinghouse, 178 Fed. 711, 715; C. C. A. 2nd Circuit.....	115
Diamond Tire Case, 220 U. S. 428; 55 L. Ed. 527..7, 28, 40	
Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 118 Fed. 136 (C. C. A.).....	93, 147
Dowagiac Co. v. Superior, 115 Fed. 88.....	146
DuBois v. Kirk, 159 U. S. 58.....	95
Deering v. Winona, 155 U. S. 286; 39 L. Ed. 153.....	117
Enc. of Evidence, Vol. IX, page 627.....	24
Eibel Process Company v. Minnesota and Ontario Paper Company, 261 U. S. 45.....	150
Gaylor v. Wilder, 10 How. 477; 13 Law. Ed. 504.....	117
Grandy v. Main Belting Co., 143 U. S. 556.....	96
General Electric Co. v. Wise, 119 Fed. 926.....	75
Gormully & J. Mfg. Co. v. Stanley Cycle Mfg. Co., 90 Fed. 279, 280.....	28

	Pages
Grant Tire Case, 220 U. S. 428; 55 L. Ed. 527.....	26
Griswold v. Harker, 62 Fed. 389.....	28
Hancock v. Boyd, 170 Fed. 600.....	96
Hildreth v. Mastores, 257 U. S. 27.....	150
Hobbs v. Beach, 180 U. S. 383.....	75
Hogg v. Emerson, 6 How. 485.....	151, 152
Ide v. Trorlicht & Co., 115 Fed. 137, 145 (C. C. A.)....	140
Imhaenser v. Buerk, 101 U. S. 660.....	28
Jones v. Sykes, 254 Fed. 91, 96.....	129
Kinnear Mfg. Co. v. Wilson, 142 Fed. 970 (C. C. A.)....	141
Kirchberger v. American Acetylene Burner Co., 128 Fed. 599	65
Lincoln Iron Works v. McWhirter Co., 142 Fed. 967 (C. C. A.).....	117
Loom Company v. Higgins, 105 U. S. 580; 26 L. Ed. 1177, 1183	116, 149
Lamson v. Hillman, 123 Fed. 416.....	129
Leeds & Catlin Co. v. Victor, 213 U. S. 301; 53 L. Ed. 805, 813.....	6, 28
Loew Filter Co. et al. v. German-American Filter Co., N. Y. (164 Fed. 855-860, C. C. A. Oct. 16, 1908).....	75
Los Alamitos Sugar Co. v. Carroll, 173 Fed. 280.....	94
Magawan v. Belting Co., 141 U. S. 332.....	75
Morgan v. Daniels, 153 U. S. 120.....	24
Milner Co. v. Yesbera, 133 Fed. 916.....	146
McMillan v. Reese, 1 Fed. 722.....	140
National Hollow B. B. Co. v. Interechange B. B. Co., 106 Fed. 699.....	93, 147
Novelty Glass Co. v. Brookfield, 170 Fed. 946.....	96
Odell v. Stout, 22 Fed. 159, 165.....	105
Paper Bag Case, 210 U. S. 405-416; 52 L. Ed. 1122-1127..	75
Pennsylvania Diamond-Drill Co. v. Simpson, 29 Fed. 288.	106
Peters v. Union Biscuit Co., 120 Fed. 679 (Mo.).....	147
Regina Co. v. New Century Music Box Co., 138 Fed. 903..	24
Rubber Co. v. Goodyear Co., 9 Wall. 788.....	152
Robinson on Patents, Section 423.....	25

TABLE OF CASES CITED

ix

	Pages
Suffolk County Mfg. Co. v. Hayden, 70 U. S. 3 Wall. 315 (18:76).....	140
Stebler v. Riverside Heights Orange Growers' Assn., 205 Fed. 735-738.....	29
Thomson-Houston Electric Co. v. H. W. Johns Co., 105 Fed. 249, 250.....	74
Thomson-Houston Electric Co. v. Ohio Brass Co., 80 Fed. 712 (C. C. A.).....	142
Turrill v. Railroad Co., 1 Wall. 291.....	151, 152
United Shirt & Collar Co. v. Beattie, 149 Fed. 736, 739, 740	7
Underwood Typewriter Co. v. Elliott Fisher Co., 165 Fed. 928	75
United Nickel Co. v. California Co., 25 Fed. 475.....	129
Victor Talking Co. v. American Graph. Co., 140 Fed. 860; affirmed 145 Fed. 350.....	140
Walker on Patents, Sections 491, 494.....	25
Wilkins Shoe B. F. Co. v. Webb, 89 Fed. 982.....	24
Waterbury Co. v. Aston, 183 Fed. 120 (2nd C. C. A.)....	92
Western Electric Co. v. Howe Tel. Co., 85 Fed. 656.....	95
Welsbach Light Co. v. Cohn, 181 Fed. 122, 126.....	141

No. 4256

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

WILLIAM R. RAY and W. S. RAY MANUFACTURING COMPANY (a corporation),
Appellants and Cross-Appellees,

vs.

BUNTING IRON WORKS (a corporation),
Appellee and Cross-Appellant.

On Ray
Rotary
Oil Burner
Patents
No. 1,193,819
No. 1,285,376

BRIEF FOR PLAINTIFFS-APPELLANTS.

Statement.

Plaintiffs brought suit on February 7th, 1922, in the Court below for infringement of two patents for Rotary Oil Burners issued to plaintiff Wm. R. Ray; being patent numbers 1,193,819, of August 8, 1916, and 1,285,376, of November 19th, 1918, filed, respectively, on November 30th, 1914, and May 8th, 1916. The plaintiff corporation is the exclusive licensee under the Ray patents.

Defendant charged by way of alleged counter-claim infringement by plaintiffs of the King patent

(For the convenience of the Court a complete index of plaintiffs' and defendant's exhibits appears in the index to this brief, the page references for the exhibits referring to the *printed record*.)

No. 1,158,058, issued October 26, 1915, filed March 23rd, 1914.

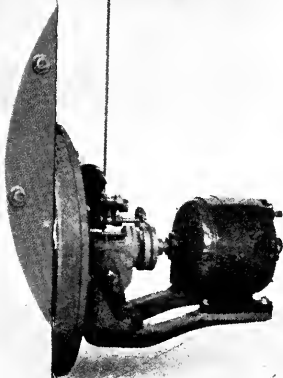
The case was tried before Judge Bourquin on the 12th and 13th days of March, 1924. In an opinion rendered March 27th, 1924, appearing at pages 207 and 210 of the printed record on appeal, he declared the Ray patents invalid and dismissed the bill. The counterclaim he likewise dismissed with this brief comment (R. 210):

“In respect to defendant’s patent, little has been said for or against it. It seems to be set out more as a counter-irritant, and the actual instrumentality is not in evidence. Whatever its merits, wherein complainant has infringed, if at all, is not particularized. Whether valid or not, the evidence does not prove infringement. And that only is the decision of the Court.”

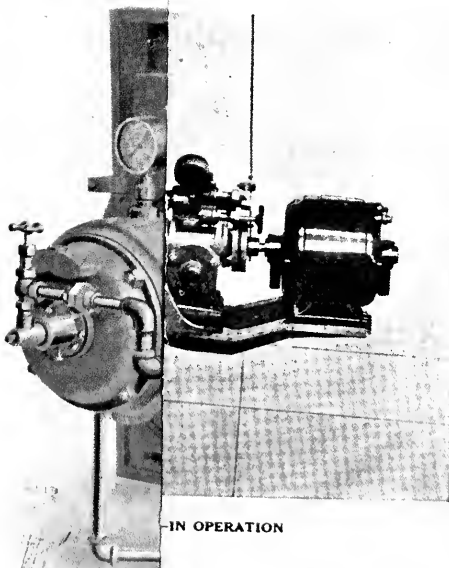
Both parties appealed. For convenience we shall refer to them as “Plaintiffs” and “Defendant”.

Plaintiffs’ burner is known as the “Ray” burner; defendant’s burner as the “Simplex” burner. A specimen of each burner is in evidence; the “Ray” as “Plaintiffs’ Exhibit 7” and the “Simplex” as “Plaintiffs’ Exhibit 1”. The two are practically identical in every way, one having been obviously copied from the other.

Opposite is a sheet on which appears cuts (Plates I and II) of plaintiffs’ and defendant’s commercial burners.



—SHUT DOWN



—IN OPERATION

60, 80, 125, 175
Lined I

Both devices (plaintiff's and defendant's infringing Simplex) while employing the rotary principle of projection and atomization of the oil in a horizontal direction, *produced solely by reason of the patented combination*, are able to produce a column-like body of vapor which, when ignited and supplied with additional air for combustion, has an elongated intense flame entirely comparable in effect, appearance and efficiency to that produced by the so-called straight-shot or tube burners employing steam for atomization, but *at a great saving in oil*, together with other benefits achieved, over the use of the latter type of burner.

Infringement is charged particularly of claims 3, 4, 7, 8, 9, 10, 11 and 12 of Ray patent No. 1,193,819 (called for convenience the "First Ray Patent") and claims 1 to 6 and 14 to 20, inclusive, of Ray patent No. 1,285,376 (called the "Second Ray Patent").

THE DEFENSES.

The defenses to the Ray patents, as stated (R. 767) were aggregation, want of invention, anticipation, prior invention and use.

The "prior invention" defense consisted of the testimony of the witnesses King and Becker to the making of a rough drawing and a crude experimental apparatus in 1911. Suffice to say for the present that, aside from the fact that both the draw-

ing and the model failed not only to show the patented combination but that they lacked the Ray principle, they were conclusively established as indicating nothing more than an abandoned experiment.

King and Becker both had been actively connected for several years with defendant's predecessors in interest, first as The American Heat & Power Co. and later as The American Standard Oil Burner Co. They had each taken out or applied for various patents on Oil Burners between 1911 and 1914, when the Ray burner came into the field; but none of which patents remotely suggested either the idea of the King 1911 drawing or the later Ray type of burner.

During all this period, that is, up to the fall of 1915, the defendant's predecessors and King and Becker were actively engaged in marketing oil burning apparatus of an entirely different character and principle from that of Ray. It was not until the time of the Panama-Pacific International Exposition in San Francisco in 1915, when and where the phenomenal success of the Ray burner asserted itself, that the defendant's predecessors, and particularly King and Becker, abandoned all their then commercial types of oil burners, bought a Ray Horizontal Rotary Burner, copied it and put it on the market under their own sign and trade name of "Simplex".

There has never been any denial of infringement. In fact, the imitation is so close that if the Ray patents, and either of them, are, or is, valid, infringement follows as a matter of course.

If the defendant contends that it, through its predecessors, was the first to get up a horizontal, rotary crude oil burner, such defense may be dismissed as without merit. Even if it is true that the defendant's predecessors, through their employees, actually made a drawing or even an experimental device of the rotary oil burner as early as 1911 or 1912, such work at best was merely an abandoned experiment.

Failing in showing anticipation by any so-called prior use or prior invention, and failing any anticipating patent as such, the defendant was thrown back on the time-worn defense of all infringers that the Ray patents lacked novelty and invention because most, though admittedly not all, of the elements of the Ray patented combinations were to be found here and there individually among some thirty odd prior patents; even though it was conclusively shown that many of these prior art patents were inoperative or impractical and worked on a different principle from the Ray system of burning oil and although defendant in getting up its burner did not follow the prior art but copied the Ray.

The learned Trial Judge, in accepting the defense of want of invention, conceded that the prior art *did not* disclose as a matter of fact *all* the elements, even considered singly, of the patented combinations, thus (R. 209):

“The patents pleaded in defense and in evidence disclose every element and incident of complainant’s, *save the partition diaphragm or baffle in the fan casing*. If this latter serves any purpose, it does not appear, nor any that the side casing of the fan blades will not serve. Hence, to insert this partition involves no invention.” (Italics ours.)

But even if the prior art had shown *all* the elements, the Supreme Court said in *Leeds & Catlin Co. v. Victor*, 213 U. S. 301; 53 L. Ed. 805, 813:

“A combination is a union of elements, which may be partly old and partly new, or wholly old or wholly new. But, whether new or old, the combination is a means—an invention—distinct from them. They, if new, may be inventions and the proper subjects of patents, or they may be covered by claims in the same patent with the combination.

“But whether put in the same patent with the combination or made the subjects of separate patents, they are not identical with the combination. To become that they must be united under the same co-operative law. Certainly, one element is not the combination, nor, in any proper sense, can it be regarded as a substantive part of the invention represented by the combination, and it can make no difference whether the element was always free or becomes free by the expiration of a prior patent foreign or domestic. In making a combination,

an inventor has the whole field of mechanics to draw from. This view is in accordance with the principles of the patent laws.”

And, again, in the Diamond Tire Case, 220 U. S. 428; 55 L. Ed. 527, citing the Leeds Case, *supra* :

“And we may say, in passing, the elements of a combination may be all old. In making a combination the inventor has the whole field of mechanics to draw from.”

While the learned Trial Judge’s statement construed as an expression of the rule applying to combinations is contrary to the rule above expressed by the Supreme Court, nevertheless it will be proper and becomes our duty to point out the co-operative law under which the various elements of the Ray combinations function and to show some of the advantages of this diaphragm or baffle in contributing directly to the desired accomplishments of both plaintiffs’ and defendant’s burners.

The situation recalls the apt words of Judge Coxe in *United Shirt & Collar Co. v. Beattie*, 149 Fed. 736, 739, 740 (C. C. A. 2nd Circuit) :

“If Pine did nothing more than take an old abandoned failure and, by the introduction of new and ingenious features, no matter how simple they may be, convert the rusty relic into a living machine which does the required work better, faster, cheaper than it was ever done before, he is entitled to the protection which his patent is intended to give. *Potts & Co. v. Creager*, 155 U. S. 597, 15 Sup. Ct. 194, 39 L. Ed. 275; *Clough v. Barker*, 106 U. S. 166, 1

Sup. Ct. 188, 27 L. Ed. 134. Pine seems to have added to the prior devices the one feature necessary to make the machine a marked commercial success.”

As far as the plaintiffs’ patented burners are concerned it is shown by the evidence that plaintiffs from a small beginning of five burners in 1914 and with limited capital the sales of Ray burners has gradually grown from 55 burners in 1915 of a value of a little over \$6000 to a total of nearly 3000 burners (2982 to be exact) in 1923, representing a value of over \$465,000; or a total sale of burners for nine years, inclusive, of 7566 burners which sold for \$1,178,318.98 (R. 182).

As to the extent of plaintiffs’ business Mr. Ray says (R. 184):

“* * * we are selling them all over the world at the present time, and have our own branch in Chicago, and in Oakland, and here. The rest of the distributors are financed by themselves. We have distributors in every large city in the United States, in Mexico, Alaska, Hawaiian Islands, and in England, France and Norway.”

* * * * *

“We publish catalogs in Spanish and in French.”

The record does not disclose the extent of defendant’s business in the infringing burner, but considering the length of time it and its predecessors have been in this business and their greater financial means at all times than plaintiffs’, it is obvious

PLATE III

W. R. RAY.
OIL BURNER.

APPLICATION FILED NOV. 30, 1914.

1,193,819.

Patented Aug. 8, 1916.
2 SHEETS—SHEET 1.

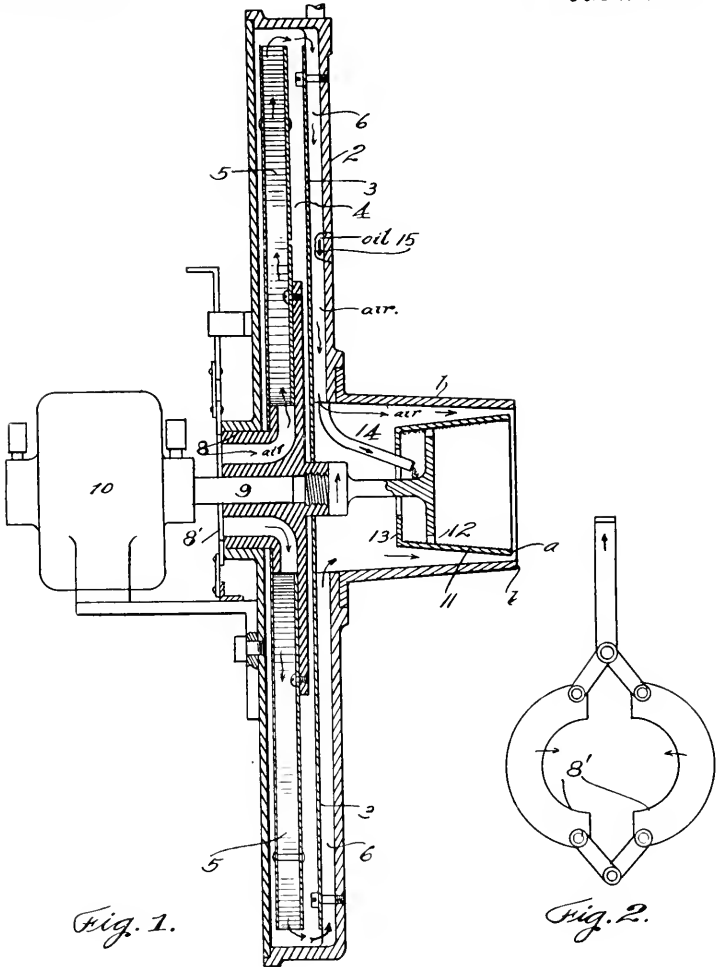


Fig. 1.

Fig. 2.

WITNESSES:

F. E. Maynard
Jurvis Simeth.

INVENTOR

William R. Ray
BY *E. H. Strong.*
ATTORNEY

that defendant's business success with the infringing burner has at least been equal to that shown by plaintiffs.

ASSIGNMENT OF ERRORS.

Briefly, plaintiffs assign as errors of the Trial Court on this appeal (R. 214-215) :

(1) In dismissing plaintiffs' bill with respect to the two Ray patents in suit and each of them.

(2) In finding invalidity of each patent for alleged lack of novelty and invention.

(3) In failing to hold said patents, and each of them, valid and infringed.

(4) In not awarding costs to plaintiffs.

THE RAY PATENTS.

The Ray patents (see Plate III opposite of first patent) relate particularly to a horizontal rotary oil burner of the fan type, in which the fan (5) is characterized as of relatively large diameter with respect to the oil distributing cup (11); the fan having very narrow blades adapted to create a *high velocity* air current of *small volume* at the fan periphery; in connection with a deflecting diaphragm (3) so disposed as to conduct the air discharge from the fan (5) at undiminished velocity and pressure to a horizontally extending air nozzle (7), within which is the rotary distributing oil cup

(11); the whole so constructed, arranged and operated that a *minimum quantity of air at maximum velocity just sufficient for atomization but insufficient for combustion*, will be set in motion by the fan and distributed around the oil cup and in axial line therewith to effect an atomization of the oil and project it in the form of a shaft or column of inflammable vapor of comparatively small diameter. The shaft-like column of vapor, when ignited, produces a long narrow flame capable of projecting horizontally into a fire-box and under a boiler, much after the fashion of the so-called straight-shot, steam-pressure burners, but possessing many advantages over the latter and over other more or less obsolete types of apparatus.

The first Ray patent seeks to cover the combination broadly.

The second Ray patent (plate IV opposite) embodies improvements particularly in the control and management of the oil supply and return of excess to the source of supply.

As far as the evidence shows Ray was the first to develop and perfect and put into commercial operation a burner of this type. Its success has been no less than phenomenal—so much so that the defendant was prompted, for reasons best known to itself, to change from the so-called vertical type of apparatus, which it had been developing and promoting over a considerable period of years, to what was

PLATE IV

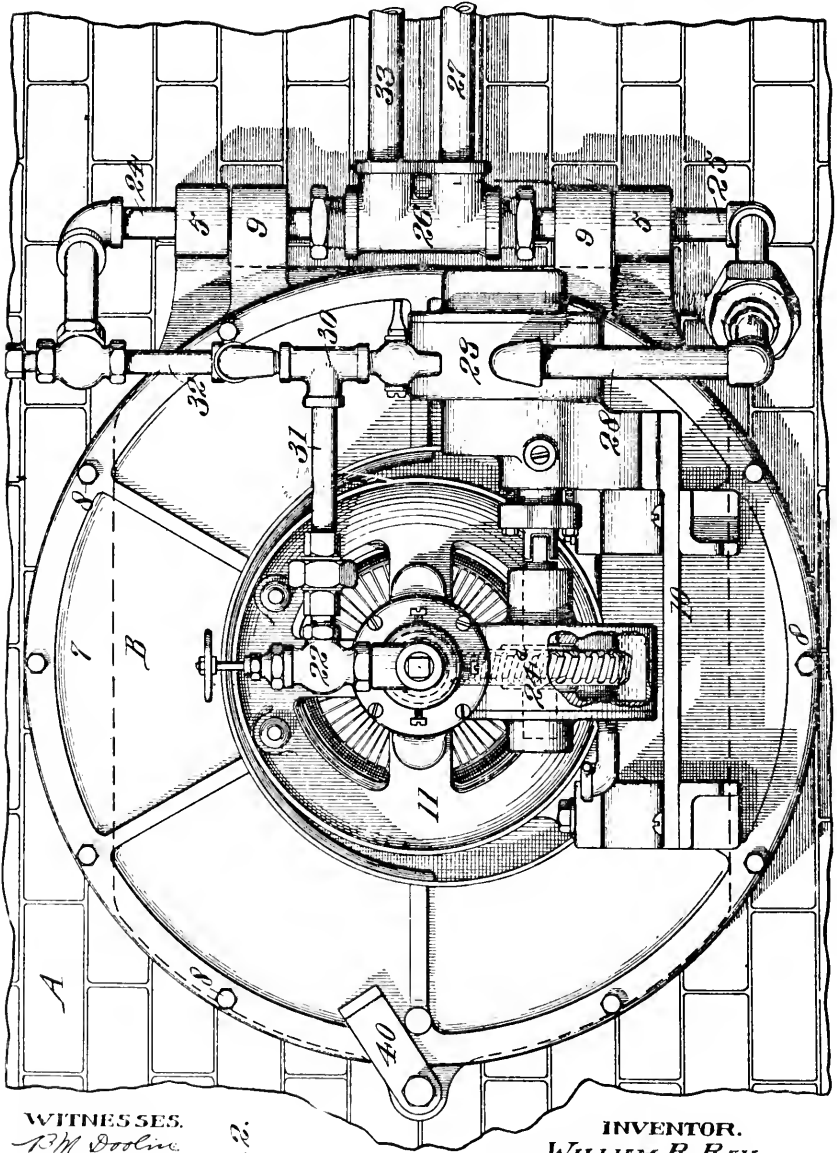
W. R. RAY.
OIL BURNER.

APPLICATION FILED MAY 8, 1916.

Patented Nov. 19, 1918.

3 SHEETS—SHEET 2.

1,285,376.



WITNESSES.
R. M. Doolin.
L. J. Forde

Fig. 2.

INVENTOR.
BY *WILLIAM R. RAY.*
Strong & Townsend

ATTORNEYS.

practically a Chinese copy of the plaintiffs' horizontal type of burner.

In this connection we are reminded that utility and patentability are often established by defendant's tribute of imitation.

“The questions mainly argued relate to whether or not invention is present, particularly in view of the prior art. That utility is present, it is said, is shown by the prima facie presumption resulting from the issue of the patent and from substantial sales and use. The evidence tends to show that 1,000 a month are being made and sold. Whether these sales are evidence of utility in the device, or senility, or some form of arrested mental development in the buyer, may well be open to question. The defendant, however, has made a substantial copy of this device, and is not, therefore, in a position to deny its patentable utility; and for this reason, coupled with the prima facie presumption, it must be held that the patent is not void for want of utility. See *Faultless Rubber Co. v. Star Rubber Co.* (6 C. C. A.), 202 Fed. 927, 930, 121 C. C. A. 285; *Diamond Rubber Co. v. Consolidated Tire Co.*, 220 U. S. 428, 440, 31 Sup. Ct. 444, 55 L. Ed. 527.” (*Vaco Grip Co. v. Sandy MacGregor Co.*, 292 Fed. 249, 251.)

One outstanding feature of novelty of the first Ray patent resides in the production for the first time of a horizontal, straight-shot flame in a motor-driven type of oil burner.

Ray's second patent represents a further advance in rotary oil burners, being for means which will permit a burner of this type not only to be mounted

upon the furnace and swing about after the fashion of a door but utilizing the fan casing to form the closure for the opening in the furnace wall in conjunction with an air nozzle forming an air jacket for the oil cup and the provision of means to return the excess oil to the source of supply. These features are all carried in exact detail into the defendant's infringing burners.

The Ray Burner (and the defendant's Simplex as well) in its essentials delivers a circular envelope of air of small diameter and of extremely high velocity into a furnace. Within this envelope of high velocity air there is delivered from a rapid atomizing revolving cup a quantity of mechanically atomized fuel oil. This atomized oil is thrown into, but not through this envelope of high velocity air and is thoroughly mixed with it. The direction of the mixture of air and oil is such, that it is carried into the furnace without coming in contact with the walls or any other surfaces; combustion being completed before any of the atomized oil touches any of the above surfaces.

It is essential in the operation of burners of this type that the envelope of high velocity air discharged from the air nozzle be of extremely high velocity and be restricted to small diameter around the atomizing cup. In the Ray & Simplex burners air is delivered to the air nozzle from a fan of large diameter and small cross section mounted on the motor shaft which also carries the small oil-distributing cup.

FIRST RAY PATENT 1,193,819, DATED AUGUST 8th, 1916,
(APPLICATION FILED NOVEMBER 30th, 1914).

Ray says in his specifications to patent No. 1,193,819 (application filed November 30th, 1914), beginning page 1, line 12:

“It is an object of this invention to provide in one complete unit a rotary atomizer, an air pump and a motor with but one moving component; and particularly to provide an oil burner whereby a quantity of crude oil is atomized and then *directed in a substantially lineal or axial direction*; and to provide a centrifugally acting nozzle and means for discharging a blast of air at an angle to the discharge from the nozzle so as to catch the spray and *carry it in a slightly flaring manner to produce a long blast*.

“Another object is to provide an oil burner as free from friction as possible and thus being economical in the consumption of power per hour per gallon of oil consumed.” (Italics ours.)

“Freedom of friction” is largely effected by the use of the direction diaphragm or baffle 3 in conjunction with the fan 5 of relatively large diameter with respect to the oil cup 11, and having narrow blades whereby the fan (rotor 5 as it is sometimes called in the patent)

“discharges a blast of air in a *thin annular stream * * ** around the circumference of the oil nozzle 11. The oil in the rotating cup advances to its edge *a* and is thrown centrifugally against the surrounding stream of air moving at a right angle to the edge of the cup and hence across the oil spray. Thus the oil is

picked up by the air and carried into the furnace in a flame which is slightly divergent as it leaves the nozzle. This produces a column or pillar of fire axial with the burner" (lines 78-90, page 1, Ray patent.) (Italics ours.)

Continuing the patentee says (lines 91-100):

"This burner is of low construction and operating cost, has but one moving element with only two bearings, each part is simple and replaceable at small expense, is easy to maintain and keep clean, is very compact and forms a complete power and burner unit, the life of which is practically unlimited; the only parts subject to heat action being the mouthpiece and the cup nozzle."

**AXIAL COLUMNAR FORM OF FLAME FURTHER
EMPHASIZED.**

In conclusion the patentee says (page 1, lines 101 to 108):

"By providing a fan or runner 5 of a diameter relatively large as to that of the spray nozzle 11, a pressure of air is attained at the mouthpiece which is not only effective to atomize the oil, but also forces the combustible mixture in an axial direction in front of the burner and in a slightly conical form." (Italics ours.)

The importance of this is that in *all* cases in the prior art attempting to use the rotary principle, the patentees had produced always a more or less *saucer-shaped* or disk-like flame, and depended on a *com-*

paratively large flared oil cup to atomize the oil by CENTRIFUGAL force; and employed so-called propulsion types of fans to produce a large volume of air at low pressure and low velocity to effect combustion.

In other words, earlier inventors got atomization by *centrifugal* action and necessarily got a different character of flame from Ray and from Simplex. Ray and Simplex get atomization by high velocity air and a *small* oil distributing cup which latter in itself produces no substantial centrifugal counter effect to the air envelope.

FILE WRAPPER OF PATENT NO. 1,193,819.

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Fesler	1,026,663—May 21, 1912,
Becker	1,101,779—June 30, 1914,
Fesler	1,113,108—Oct. 6, 1914,
Landsee	100,268—May 1, 1870,
Klein	473,759—Apr. 26, 1892,
Mack	548,647—Oct 29, 1895,
Morin	1,025,153—May 7, 1912,
Eddy	540,650—June 11, 1895,
Britten	1,022,122—Apr. 2, 1912.

The patent application as originally filed by Ray contained twelve claims, all of which were practically directed to claiming broadly a rotary oil

burner employing a motor and a motor shaft and a distributing cup on the motor shaft.

The claims, however, as finally allowed to Ray clearly differentiate from anything in the prior art and embrace and cover what experience has shown to be the practical requirements of a successful horizontal rotary burner.

An analysis of the Ray File Wrapper will give a practical answer not only to all the patents cited by the Examiner but to everything else that this defendant has been able to bring forward in an attempt to anticipate the Ray invention.

This is one of those unusual cases where the actions in the Patent Office show unusual alertness on the part of the Government experts in considering the patent application before allowing it to go to issue, with the consequence that the presumption of novelty accorded to every patent is greatly strengthened in the case of Ray.

“It is evident that the patent in suit, as finally granted, had a long, hard row to travel, as is disclosed by the proceedings in the Patent Office and the length of time that elapsed between the filing of the application and the granting of the patent. The patent is presumed to be valid, and to my mind this presumption is strengthened by the consideration given the case in the Patent Office before the patent was granted.” (United Shirt & Collar Co. v. Beatie, 138 Fed. 136-137; affirmed C. C. A. 149 Fed. 736.)

To the same effect spoke Judge Bradford in Brill v. North Jersey St. Ry. Co., 124 Fed. 778, 780:

“The truck mechanism of patent No. 627,898 has not only materially added to the ease, convenience, speed and safety of travel, but has proved economical. It has commanded a large sale and met with much success. There is, further, the presumption of validity arising from the grant of the patent. This presumption is entitled to much force here; for the application and claims were subject to much controversy and received careful and prolonged consideration in the Patent Office.”

SECOND RAY PATENT, NO. 1,285,376, DATED NOVEMBER 19TH, 1918 (APPLICATION FILED MAY 8TH, 1916). (SEE PLATE IV SUPRA.)

The claims infringed are 1 to 6, inclusive, and 14 to 20, inclusive, and relate to the mounting of the burner and fan casing on the furnace front.

Ray has no furnace door as such, but has so constructed and arranged his fan casing that it acts for a closure for the small opening that is required in the furnace front. Furthermore, the furnace front opening is not really a door opening but is merely a burner opening, and in reducing it to its smallest dimensions and proportioning this opening to the burner requirements, Ray uses an air-nozzle plate (3) with a conical projection (4) which projects into the opening in the furnace front to form a metallic lining for the same. Also the fan casing is hingedly mounted on this air-

nozzle plate (3); the *fan casing* and air-nozzle plate forming a unitary compact structure. The conical projection of plate (3) likewise cooperates with the burner, when in position, *to form an air jacket to protect the burner nozzle and burner* and to admit a certain amount of air for combustion purposes, in addition to that supplied by the fan blower.

We thus see a true combination existing between the air-nozzle plate (3), with its conical or hollow tapered extension (4) and the fan casing and burner.

The patentee says that this invention represents an improvement over his prior patent No. 1,193,819, *supra*, and that his object is (page 1, lines 12 to 23):

“to provide a burner having a rotary atomizer and fan, both of special construction, mounted directly on the motor shaft, the whole supported upon a swinging plate forming a part of the fan casing to allow the burner to be swung outwardly for inspection, or inwardly against the furnace front so that the burner tip may project within the combustion chamber; the fan casing and burner being mounted entirely distinct from the ordinary furnace door.”

This patent, like the first one, shows the large diameter, narrow blade fan (13), diaphragm (18) in the fan casing (6) and oil distributing cup (14); the only difference being that the oil is delivered centrally through the shaft (12) instead of by an external oil pipe as in the first patent.

Defendant admits, R. 108-9, that there is no difference in the species of oil cup shown in the first

Ray patent where the oil is fed through a separate oil pipe eccentric to the motor shaft and the species shown in the second Ray patent and in the respective commercial devices of the plaintiff and defendant.

The patentee recognizes the necessity for the large diameter thin-bladed, high-speed fan and diaphragm, here, as in the first patent, and shows that while the diaphragm performed by itself an important function not only in directing and thinning the air current to the oil cup, nevertheless something was still left to be desired so the air nozzle *vanes* were introduced. While the defendant itself has not used the air vanes as far as known and so does not infringe the air vane claims, it has infringed numerous other claims which omit the air vanes.

The patentee says (page 1, lines 68-77):

“Secured interiorly of the housing 6 is a circular plate 18 of lesser diameter which divides the interior of the housing into two compartments, 19 and 20. The compartment 19 contains the fan 13 while the compartment 20 serves as an air passage, which receives the air discharging from the periphery of the fan and then deflects it down to the central discharge chamber 16 and connected nozzle 17.”

Continuing the patentee says (page 1, lines 99-108):

“As here shown the fan and fan casing are of relatively large diameter with respect to their width. In other words, I use a very thin

fan and casing giving high velocity and large volume of air and the air traveling to the nozzle in a relatively thin sheet and discharged into chamber 16; the air currents thence being straightened out by the vanes 17^a to produce the desired straight shot effect of the flame.”

(The patentee is in evident error in referring to the quantity of air delivered by this fan as of “large” volume. As shown by the testimony of all the witnesses on the subject, this fan, is a high velocity, *small* volume *centrifugal* fan as distinguished from the large volume “propulsion type” of fan of the prior art.) (See Whaley R. 199-201.)

Coming now to the subject-matter of the claims in suit in this patent, particularly as concerns the oil supply and oil return, the patentee says (page 1, line 109 to page 2, line 34):

“The burner here shown is particularly designed to handle low gravity fuel oils and this oil is delivered to cup 14 in the following manner: Extending through the hollow shaft 12 of the motor is a stationary pipe 21 which opens into the atomizing cup 14 at one end and is connected at the opposite end with a controlling valve 22. The oil is delivered to the valve 22 and the connected stationary pipe 21 by means of a pump 23 of suitable construction, which is driven directly from the motor shaft at a reduced speed by means of the worm gear drive indicated at 24^a. Extending through the hinge lugs 5 and 9 are hollow pintle members 24 and 25, the inner ends of which are connected with a centrally divided double T fitting indicated at 26. Oil from any suitable source of supply enters the lower half of the

double T through a pipe 27 and then passes down through the hollow pintle 25 which is connected with the pump 23 by means of a pipe 28. The oil impelled by the pump is then discharged through a pipe 29 which enters an angle T indicated at 30. The major part of the oil is here directed through a pipe 31 to the valve 22 with connected stationary pipe 21 which finally delivers the oil to the atomizing cup 14, while any surplus amount delivered by the pump is by-passed through pipe 32 which connects with the upper hollow pintle 24, which as before stated, connects with the upper side of the double T 26. It then passes out through the pipe 33 which connects with the source of supply and therefore serves as a return or over-flow for any surplus amount of oil delivered by the pump 23."

The patentee then shows the advantage of this construction and of his furnace plate 3 (page 2, lines 54 to 115):

"The delivery of oil to the cup is automatically attended to as the pump 23 is directly connected with the motor and will therefore start the flow of oil to the cup the moment the motor begins to operate. The volume of oil delivered being regulated by means of the valve 22 while any surplus amount will over-flow and return to the source of supply through pipes 32 and 33. The whole burner unit, constructed and mounted as here shown, makes a compact practical unit supported upon hinges; these permit the burner, as a whole, to be swung outwardly for inspection or inwardly against the furnace front so that the burner tip, that is, the atomizing cup 14, with surrounding nozzle 17, may project within the combustion chamber; the burner as a whole being locked against

movement in this position by means of a turning latch 40. An ordinary furnace door is in this manner entirely obviated as the fan housing indicated at 6 will form a closure for the furnace opening 2. The provision of the hollow pintles 24 and 25 is also an important feature of the present invention as it permits the burner, as a whole, to be swung into and out of the furnace opening without disturbing the oil supply or overflow connections or any of the valves controlling or regulating the flow of the oil.

“A decided advantage gained by hinging the burner structure, as a whole, to the front plate of the furnace is obtained for the following reason: After the burner has been firing a furnace, it must be remembered that the brick lining absorbs a great portion of the heat and becomes glowing red. This heat glows and reflects back upon the centrifugal atomizing cup, after the oil and air is turned off, and would cause it to become so hot as to anneal or warp unless removed from the furnace opening, and would also cause any remaining oil in the atomizing cup to become carbonized and hardened. Previous to the provision of the hinged structure here shown, applicant found it necessary to keep the motor and fan running for at least fifteen minutes after the oil was turned off for the purpose of cooling down the furnace to such an extent that the stored heat would not warp or destroy the atomizer. This difficulty has, however, been overcome by the present structure as the burner as a whole, may be swung about the hinges to assume a position exterior of the furnace where it is not affected by the furnace heat. The furnace may in this manner, retain its heat for a considerable time and the boiler or other device heated by the furnace is similarly prevented from cooling down too rapidly.”

FILE WRAPPER (EXHIBIT 5) OF RAY PATENT NO. 1,285,376.

The patents cited by the Patent Office Examiner during the pendency of this case were as follows:

Melas,	1,169,091—January 18, 1916;
Mack,	548,647—October 29, 1895;
Becker,	1,101,779—June 30, 1914;
Anderson,	719,716—February 3, 1903;
Ray	1,184,659—May 23, 1915;
Bullard	483,099—September 20, 1892.

There were originally but ten claims presented in the Ray application but as the art was developed and the novelty of the invention emphasized the foregoing references were not only overcome but the scope of the patent was expanded within legitimate limits.

The presumption of validity of this patent, like the first one, is strengthened by the consideration given it by the experts in the Patent Office.

The Ray v. Jarvis Interference adds to the presumption of novelty in favor of Ray.

By reference to the File Wrapper of Ray it will be seen by the official action of August 21st, 1917, there was a declaration of Interference No. 41,703 between Ray and a party named Jarvis regarding claims 14, 17, 18, 19 and 20 and the outcome of this Interference was favorable to Ray, so that these claims 14, 17, 18, 19 and 20 became the claims as they now appear in the patent.

INVENTION.

Plaintiffs enter Court with the presumption of law that both their patents are good and valid and cover patentable subject-matter over everything theretofore known. This presumption arises from the grant and issuance of the patent and is a statutory presumption. In any case where the question of patentable novelty is close or in doubt, this presumption, arising from the grant and issuance of the patent, must throw the decision in favor of the validity of the patent, so that if there were any doubt as to the patentability of the subject-matter of either of the patents in suit this *prima facie* presumption must control and the patents must be held valid.

Morgan v. Daniels, 153 U. S. 120;

Cantrell v. Wallick, 117 U. S. 679.

And this presumption is of such legal effect that:

“Evidence to overcome the presumption of invention arising from the issuance of the patent must be conclusive on the question.”

Enc. of Evidence, Vol. IX, page 627;

Wilkins Shoe B. F. Co. v. Webb, 89 Fed. 982;

Regina Co. v. New Century Music Box Co.,
138 Fed. 903.

Or, as otherwise stated, in order to overcome this presumption arising from the grant and issuance of the letters patent, the proof offered by defendant must be both reliable and certain. In case of

any doubt the presumption must control the finding of fact.

Walker on Patents, Sections 491, 494;

Robinson on Patents, Section 423.

Invention has been defined to be:

“The double mental act of discerning in existing machines, processes, or articles, some deficiency and pointing out the means of overcoming it.” (*General Electric Co. v. Sangamo Electric Co.*, 174 Fed. 346, 351.)

Remembering that defendant's device represented by Exhibit 1 is a Chinese copy of plaintiff's patented structure, as shown by the patents and by Exhibit 7 and that the reasons must have been potent and sufficient for defendant abandoning its former vertical axis burner with the saucer flame on the advent of the Ray burner, the Court need not concern itself seriously why the Ray burner and the infringing Simplex burner have met with such success or why they are on the market at all. They are successful and have grown in favor, both of them, and there must be something about them that enables them to compete successfully with other and hitherto standard types of burners.

THE COURT'S OPINION ANALYZED.

The merit of the Ray patented invention was thus clearly recognized by the Trial Judge who said in his memorandum opinion (R. 208):

“The burner is a compact, useful, and superior machine, or instrumentality, to supply fuel oil to fire-boxes, and of extensive use.”

But despite the recognized merit of the Ray invention and the further outstanding fact that defendant's imitation is closer to the patented structure than anything in the prior art, the Court finds the Ray patents void as lacking invention and as aggregations of individually old elements.

The Supreme Court said in the Grant Tire Case, 220 U. S. 428; 55 L. Ed. 527:

“And yet the Rubber Company uses the Grant tire. It gives the tribute of its praise to the prior art; it gives the Grant tire the tribute of its imitation, as others have done. And yet the narrowness of the claims seemed to make legal evasion easy. Why, then, was there not evasion by a variation of the details of the patented arrangement? Business interests urged to it as much as to infringement.

* * * * *

“* * * the extensive use which it attained, and more certainly the exclusive use which it attained, could only have been the result of its essential excellence, indeed, its pronounced superiority over all other forms. Here, again, in our discussion, a comparison is suggested between it and other tires, and the inquiry occurs why capital has selected it to invest in and advertise and not one of the tires of the prior art, if it be not better than they? But the effect of advertising is mere speculation; to the utility and use of an article the law assigns a definite presumption of its character, as we have seen,

and which we are impelled by the facts of this record to follow.”

That the Trial Court misconceived the true doctrine of combination claims is apparent from a reading of the decision which shows that the Court believed a combination could only be sustained if some one or more of the specific elements was new. For thus says the Court (R. 208):

“Patent No. 1,193,819 is primarily a combination or aggregation of elements, though perhaps sufficient for any separate element *if new*.
* * * * *

“That there is novelty in any part is but faintly suggested in argument.” (Italics ours.)

He, therefore, concludes that:

“to assemble motor, fan and cup with their incidents upon a single shaft, all in simple and compact form, is not invention, but is only the ordinary and anticipated advance in the art by reason of mechanical skill, and the enterprise of the manufacturer and salesman.”

He further said,

“the patents pleaded in defense” (27 in number) “disclose every element and incident of complainants, save the partition diaphragm or baffle in the fan casing.”

The Court did not find that these prior patents showed the *complete combination* of plaintiffs’ patents, but merely that they showed in other forms most of the separate elements going to make up plaintiffs’ patented combination, and with this

incorrect application of the law relative to combination patents, he dismissed the bill.

THE LAW AS TO INVENTION AND COMBINATION CLAIMS.

The claims in issue are what are known in law as "combination" claims; i. e., made up of a number of correlated elements.

It is an elementary rule that in combination claims the invention, if any, lies in the *combination*, and not in the novelty of any individual element.

Imhaeuser v. Buerk, 101 U. S. 660;

Griswold v. Harker, 62 Fed. 389.

See also:

Leeds & Catlin Co. v. Victor, *supra*;

Diamond Tire Company case, *supra*.

In *Yesbera v. Hardesty Mfg. Co.*, 166 Fed. 125, it is said:

"The point to be emphasized is that the law looks not at the elements or factors of an invented combination as a subject for a patent, but only to the combination itself as a unit distinct from its parts."

To the same effect is the case of *Gormully & J. Mfg. Co. v. Stanley Cycle Mfg. Co. et al.*, 90 Fed. 279, 280:

"Of course the claim cannot be defeated by showing that each of its elements, separately considered, was old. The defendants must prove that the combination was old. If they fail in this, they fail irretrievably."

See also:

Owens Co. v. Twin City Co., 168 Fed. 265.

“Time will be saved if the concession be made at the outset that the elements of the claims, considered separately or in different environments, were, speaking generally, all old. The question here is was the *combination* old? That the claims cover a combination, and not an aggregation, we have no doubt, even though the operations of the separate elements do not synchronize. *Forbush v. Cook*, 2 Fish, Pat. Cas. 668, Fed. Cas. No. 4931; *Heath Cycle Co. v. Hay* (C. C.) 67 Fed. 246; *Int. Recording Co. v. Dey* (C. C. A.) 142 Fed. 736, 744.” (*United Co. v. Beattie*, 149 Fed. 736, 738 (C. C. A. 2nd Circuit.)

As said by your Honors in *Stebler v. Riverside Heights Orange Growers' Assn.*, 205 Fed. 735-738:

“True, we may pick out one similarity in one of these devices, and one in another, and still one in another, and by combining them all, anticipate the inventive idea expressed in the Strain patent, but the combination constituting the invention is not found in any one of them. As we had occasion to say in *Los Alamitos Sugar Co. v. Carroll*, 173 Fed. 280, 97 C. C. A. 446:

“‘It is not sufficient, to constitute an anticipation, that the devices relied upon might, by a process of modification, reorganization, or combination, be made to accomplish the function performed by the device of the patent.’ ” (Citing numerous cases.)

“A patent for a combination is not anticipated nor invalid for lack of invention because an expert may be able to build up the patented device by selecting parts taken from

the prior art. (For other cases see Patents Cent. Dig. Secs. 27-30; Dec. Dig. Sec. 26.) Kryptok Co. v. Stead Lens Co., 207 Fed. 85, 93.”

The trial judge in the excerpt last above quoted, recognizing novelty in the Ray diaphragm as an element in the Ray combination. This makes his conclusion of invalidity of the Ray patents all the more inexplicable.

VALUE OF THE DIAPHRAGM OR BAFFLE.

It is essential that some means be provided whereby air delivered from the periphery of the fan shall be conducted to the air nozzle without loss of pressure and with a high degree of efficiency. This is done in the Ray & Simplex Burners by means of the diaphragm or baffle referred to in the excerpt from the Court's opinion quoted supra.

Because of this *diaphragm*, air is delivered to the air nozzle at *practically the same pressure as it is delivered from the fan and with a high velocity head*. It will be obvious to the Court that if this diaphragm were not present, the stream of air discharged from the periphery of the fan would flow axially toward the air nozzle while in contact with one side of the rapidly revolving fan. This would cause a *swirling* of the air and greatly reduce the efficiency of the fan and also very materially reduce the velocity of discharge of air from the nozzle.

In other words the effect of the diaphragm, as shown by long experience, is to increase the efficiency of the fan with diaphragm very materially as compared with the same fan without diaphragm.

It is thus seen, that in a burner of this type it is absolutely necessary, for good operation, that an envelope of air be discharged from the nozzle at the highest practicable velocity and that with this type of construction it is absolutely essential that a diaphragm or similar passageway be built into the burner to conduct the air from the fan periphery to the air nozzle.

Thus it is seen that this diaphragm is an important and essential part of the burner under practical operating conditions.

THE MERIT OF THE DIAPHRAGM IS RECOGNIZED IN THE DEFENDANT'S INFRINGING IMITATION (Exhibit 1).

If additional reasons are necessary they may be found in part in some of the literature before the Court. For example, see Defendant's Exhibit A, a circular of plaintiff offered by defendant at R. 55-56, where it was stipulated that the plaintiff manufactured and sold here in California oil burner devices as *disclosed, illustrated and described* in this catalogue of the plaintiff company. Defendant apparently accepts the statement there made as correct. While this is a comparatively recent publication (1921), it gives an outline of the oil burner problem for industrial uses that is instructive.

In the various designs and patents submitted by defendant to prove lack of novelty in Ray, the following points are evident:

1. No diaphragm of the character we have been discussing is provided, previous to the Ray patents.

2. Where a fan is provided, all other designs than the Ray show a *propeller* type fan of a type which will deliver *large amounts of air at low velocity* and practically no pressure. The Ray design provides a fan to deliver a *small quantity* of air at *high velocity*, through a *restricted* and carefully designed orifice.

3. In no other design than the Ray is the blast of high velocity air conducted to and through a nozzle in such a manner as to mix with the atomized fuel oil, and carry the mixture into a furnace.

HISTORY OF THE RAY INVENTION.

Mr. Ray, the inventor and patentee, as shown by the evidence (R. 174 and following), started his career as a mechanic at the early age of 13 and obtained his training and education in the school of experience, gradually working his way upward until he is now president of the plaintiff corporation. The latter has under slightly varying names been in existence since 1871, engaged, until the advent of the present patented burners, principally in marine work, sheet metal and plumbing and the manufacture of stoves and ranges.

Mr. Ray foresaw the need of improvement in means for burning oil whether used in a range or under a boiler. He studied his problem and his efforts eventually met with success; but he did not accomplish this fact overnight. He spent time and money in experimentation and in introducing his ideas. As usual, his competitors, including defendant's predecessors, foresaw the feasibility of the plan long before the general public took it up. They copied it. They abandoned their former methods of oil burner construction and have since been selling their imitation product in the very territory where Mr. Ray created the market.

**RAY INVENTION CONCEIVED IN 1913; REDUCED TO
PRACTICE MARCH AND APRIL, 1914.**

Mr. Ray's account of his development of the patented inventions is as follows, beginning (R. 175):

“A. During 1911 and 1912, I was experimenting on other types of oil burners, aside from the rotary type, but during 1913 we started experimenting on the mechanical rotary type, and I made my first drawing in—I have got to refer to dates, there are so many of them—November, between November and December, 1913, I made my first drawing of the model burner over in the corner of the room. That burner was manufactured between March and April, 1914, and put in operation in a small building on our property in the Mission.”

Witness refers to the first model burner which is in evidence as Exhibits “21”, “22” and “23” (R. 177).

Continuing, the witness says (R. 175-176):

“In my first burner that I manufactured, which is exhibited here, it consisted of a casing for a fan on this side, a nozzle projected into the furnace. On the opposite side of this casing, which was a cover which supported the motor, which in turn had a protected shaft, carried a fan, an atomizer, which was centrally located in the nozzle. On this first burner it was fastened to the furnace permanently, and had no means of swinging to and from the furnace for inspection, or removing it from the reflex head of the furnace, after shutting down. I soon discovered that this was not the proper thing, and you will note that I riveted on two band iron hinges which I used for wheeling this burner from the furnace, using a flexible oil connection to make the connection to the oil feed valve.”

**FIRST MODEL 1913 BURNER DID NOT HAVE THE
DIAPHRAGM. RESULT: LOSS OF PRESSURE.**

Continuing, Mr. Ray says:

“This first burner, I had no air diaphragm in it for carrying the air to the nozzle; we found that by taking air pressures from the periphery of the fan and also at the nozzle that there was considerable drop in air pressure.”

* * * * *

“We have the motor in the factory at the present time, it was an Emerson motor; we have it now running a small emery wheel. The only thing missing is practically the atomizing cup.”

* * * * *

“A. And the extended motor shaft.

Q. There was (is) a conical projection from the large casting, there, with internal radial ribs; what is that shaft?

A. That is how I accidentally discovered the air vent in the nozzle. That was put in for another purpose and it was never used for that purpose. I accidentally discovered the air vent in the nozzle through constructing it that way." (Italics ours.)

REDUCTION TO PRACTICE MARCH, 1914, NOT DISPUTED.

Continuing, the witness says (R. 177):

"We have records in our factory books showing dates of starting, and all the different steps we took.

* * * * *

"A. The order for this machine was started on March 10, 1914.

* * * * *

"The COURT. I do not see that all that detail is necessary. If it is disputed you can offer corroborating evidence."

THE SECOND RAY BURNER SEPTEMBER, 1914.

Continuing, Mr. Ray says (R. 178 and following):

"The next step was a drawing made on September 13, 1914, which we can produce, of the next burners we manufactured.

* * * * *

"These are the original drawings."

* * * * *

Drawings in evidence as Exhibits "25" and "26" (R. 179):

"This drawing, here, was drawn on September 13, 1914, and illustrates—

* * * This is the same drawing that was handed to the patent attorney when this case here was taken up.

Q. You mean patent 1,193,819? A. Yes.

Q. Filed November 30, 1914? A. Yes.

Mr. WHITE. I do not see the relevancy of the history of his invention.

Mr. TOWNSEND. They offered this Witt device, and we must show the result."

Continuing, the witness says:

"In the first drawing, showing the burner sectional view, we have a fan casing with two brackets which support a motor, which is directly connected to a large diameter *fan with small blades and where the air is taken behind a stationary diaphragm*. On the end of the same shaft is fastened a rotary or atomizing cup. This cup is in the center of an air nozzle that protrudes through the furnace lining; the air is taken centrally through one side of the blower casing and discharged centrally on the opposite side, through the nozzle, and around the revolving atomizer. The second sheet of drawings was drawn primarily to show the hinging of the burner, which is illustrated in the first Ray patent, bringing the oil through the hinges of the furnace plate and the blower case." (Italics ours.)

(R. 180.)

"We manufactured the first burner under date of October, 1914, and two under date of December 31, 1914, which are shown in our shop factory books.

* * * * *

"The first one we sold was to the Standard Oil Company, on the steamer 'J. A. Moffit'. This burner is still in operation. The second burner we sold to the Reichardt Duck Com-

pany, here at Colma, California. That burner is still in operation.”

EXTENT OF USE.

The witness says (R. 182):

“In 1915 there were 55 burners sold, representing a net price of \$6234; in 1916, 276, representing \$35,668; in 1917, 358, representing \$53,671.71; in 1918, 310, representing \$49,661.54; 1919, 572, representing \$93,031.55; in 1920, 826, representing \$136,099.22; in 1921, 719, representing \$116,813.35; in 1922, 1468, representing \$221,988.60; in 1923, 2982 burners, representing \$465,150.36, a total of \$1,178,318.98.”

As said by your Honors in *Morton v. Llewellyn et al.*, 164 Fed. 693:

“Apart from the presumption of novelty that always attends the grant of a patent, the law is that when it is shown that a patented device has gone into general use and has superseded prior devices having the same purpose, it is sufficient evidence of invention in a doubtful case.” (Citing numerous cases.)

RAY EXHIBITED HIS BURNERS FREELY AT THE PANAMA-PACIFIC INTERNATIONAL EXPOSITION; AND DEFENDANT'S PREDECESSOR PROCEEDED FORTHWITH TO COPY IT.

To quote Mr. Ray's testimony (R. 183-184):

“Q. Did the predecessor of the defendant exhibit at the Panama-Pacific Exposition?

A. It did.

Q. What was the name of that concern?

A. American Standard Oil Burner Co.

Q. How near to your exhibit was theirs?

A. Well they were in the same section, about 70 feet south.

Q. Did any of the officers or employees or engineers of the defendant's predecessor see the Ray burner?

A. Yes, they came in quite often, and Mr. Beecher and Voskueler, their engineer, made us numerous visits.

Q. Did they eventually acquire, so far as you know, one of the your rotary burners?

A. To my knowledge they did.

Q. When was that?

A. It was in September, 1915.

Q. Up to that time had the defendant's predecessor or the defendant ever put out a rotary horizontal burner, to your knowledge? (150—114)

A. I had never seen any, to my knowledge.

Q. How long after that did they put out a burner of that type?

A. The first burner of that type I seen was at the Panama-Pacific Exposition in late October."

On redirect (R. 186) witness shows that the only difference between the Ray burner and the first copy made by defendant's predecessor, American Standard Oil Burner Co., was that the shaft supporting the large diameter fan and the cup, instead of carrying and being driven directly by the motor was driven by a belt, as seen in the enlargement Exhibit 28 and on the inside of the back cover of the publication "Architect and Engineer" for November, 1915, Plaintiffs' Exhibit 20 (R. 187).

However, the defendant's predecessor very shortly changed its mode of driving to follow Ray exactly by dispensing with the belt and pulley. The imitation has been persisted in by the present defendant even to the copying of the details of oil connections and return, through the hinges, the double T, details of latch, proportions and all.

A more glaring case of wilful infringement can scarcely be imagined.

It only serves to accord added merit to the Ray invention. "Imitation is sincerest flattery."

Yet the salesman, Mr. Delaney, posing as an expert for defendant, testified that there is no invention in Ray's accomplishment, and the Trial Court itself says that the enterprise of the manufacturer *and salesman* would have accomplished the same thing. (See excerpt from Court's opinion.)

This confusion of the offices of a manufacturer and *a salesman* is apparently why the Trial Judge permitted the salesman Delaney to testify as an expert over the objection of plaintiffs.

**CONDUCT OF DEFENDANT IN ADOPTING THE PATENTED
DEVICE IS PROOF OF INVENTION.**

The presumption of novelty arising from the grant of the patent and the fact *that the defendant thinks so well of the device that defendant uses it itself*, has frequently been assigned by the Courts

as the principal reasons for holding an invention patentable.

“The fact that a patentee, by his device, produced results which intelligent and ingenious inventors in the same art had sought for years without avail, and that such device went into immediate and extensive public use, *and was furthermore used by the defendant*, tends strongly to show that it was the result of inventive faculties.” (Dowagiac Mfg. Co. v. Superior Drill Co.; P. P. Mast & Co. v. Same, 115 Fed. 88, 53 C. C. A. 36 (6th Cir.)) (Italics ours.)

“Where, upon suit for infringement, alleged anticipating constructions are set up by the defendant, the fact that he *appropriated the complainant’s production as to the foundation of his own business and had been very successful, is persuasive evidence* of the advantages of the complainant’s structure over the alleged anticipatory constructions.” (A. R. Milner Seating Co. v. Yesbera, 133 Fed. 916 (6th Cir.)) (Italics ours.)

All these topics of “extent of use”, “appropriation of the patented structure by defendant”, and “combination patents” are excellently illustrated and applied in the opinion of the Supreme Court in Diamond Rubber Co. v. Consolidated Rubber Tire Co., 220 U. S. 428, 55 L. Ed. 527:

“One criterion of invention is that others have sought and failed, even when the process is so simple, when discovered, that many believe they could have produced it if required. Walk. Pats., Sec. 26.” (Hanifen v. Armitage, 117 Fed. 849.)

PLATE VI

J. H. BECKER.
ATOMIZER FOR OIL BURNERS.
APPLICATION FILED MAR. 10, 1913.

1,095,447.

Patented May 5, 1914.

Fig. 1.

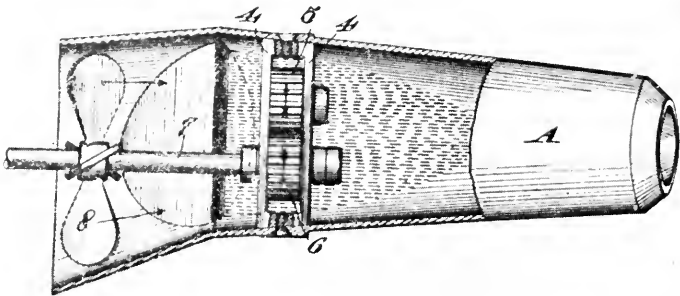


Fig. 2.

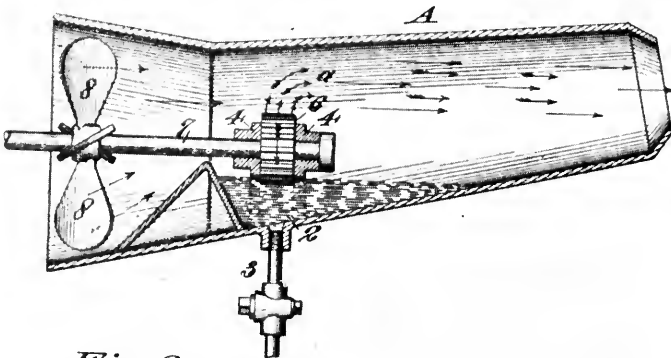
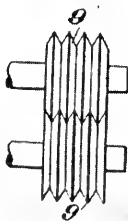


Fig. 3.



WITNESSES:

Charles Beckles
Shes Kustberg

INVENTOR

Julius H. Becker,

E. H. Strong,
ATTORNEY

Simplex Water Method Burner

Directions for Operating and Maintaining

BEFORE STARTING NOTE THE FOLLOWING CAREFULLY.

1—Always have Atomizing Plate No. 4 hot before turning on steady flow of oil.

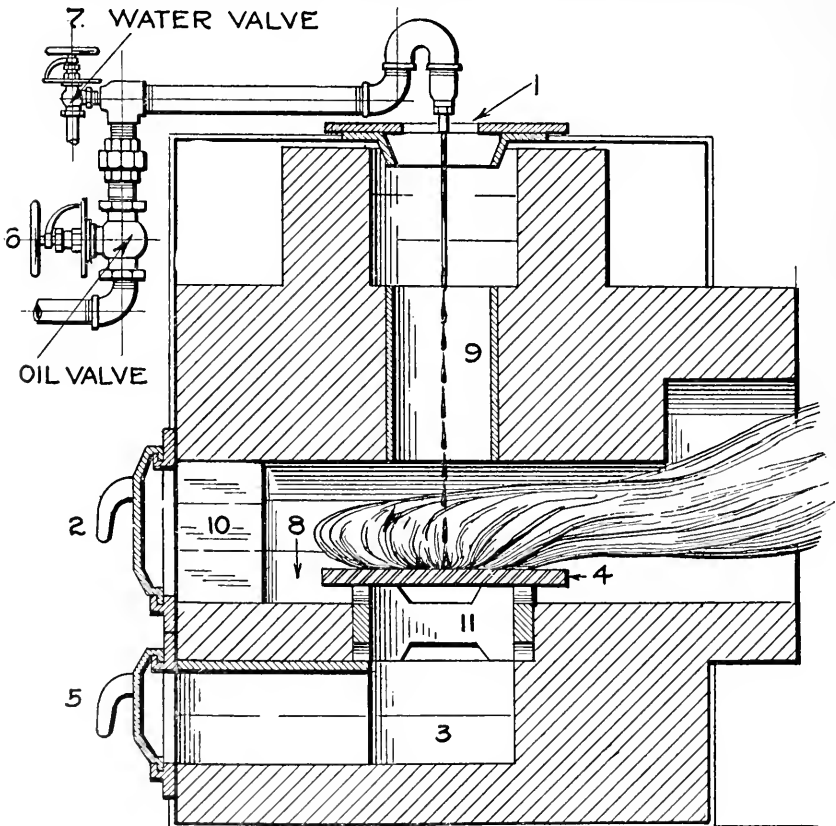
2—Never turn on oil after allowing the furnace to become partially cooled without first dropping a piece of burning paper down Down Draft 9.

3—Never burn oil without water. This makes smoke, soot and carbon.

Always have sufficient flame passing up around Atomizing Plate 4 from Fire Box 3 to ignite oil when it is turned on.

5—Always keep Atomizing Plate level.

6—Never feed more oil and water than the furnace will burn. If the oil and water run off the Atomizing Plate 4, when it is perfectly level, you are over feeding and will not get the best results.



HISTORY OF THE DEFENDANT'S BURNER BUSINESS.

The defendant, Bunting Iron Works, succeeded three or four years ago to the business of the American Standard Oil Burner Company which previously had succeeded to the business of the American Heat & Power Company. The burners of whatever type manufactured by any of these three concerns have generally been termed by the name "Simplex".

The evidence shows and it will also be apparent from what has already been said that during the past ten or twelve years the Simplex Companies have had a great variety of burners and that only since the year 1915 and after the Ray Horizontal Rotary Burner had become thoroughly advertised that the American Standard Oil Burner Co. turned its attention to the rotary type and the development of a burner so closely following Ray in its early stages that it is shown to have been made direct from a Ray burner, purchased from the Ray Company about September, 1915 (R. 184).

The development of the defendant's burner business, through its predecessors, is fairly well illustrated chronologically by the following patents in evidence:

TYPE I—SIMPLEX WATER METHOD:

Becker patents Nos. 989,828, 1,068,037 and 1,114,848 in evidence as part of Exhibit "30", (R. 205), (cut of burner reproduced from page 97 Simplex catalogue—Defendant's Exhibit "GG" appears supra Plate V).

TYPE 2—ROTARY SPLASH TYPE:

Becker, No. 1,095,447, dated May 5th, 1914, (application filed March 10th, 1913), Defend-

ant's Exhibit "U" (R. 81); (see Plate VI opposite).

(NOTE: The device of this patent as far as known never went into use.)

TYPE 3—VERTICAL CENTRIFUGAL BURNER COVERED CUP TYPE:

Becker patent No. 1,101,779, dated June 30th, 1914, (application filed May 19th, 1913); (see Plate VII opposite).

TYPE 4—VERTICAL CENTRIFUGAL BURNER OPEN TOP CUP TYPE:

King, No. 1,158,058, dated October 26th, 1915 (application filed March 23rd, 1914) (see Plates VIII, VIII-A opposite; also Plate XV post).

Types 1, 3 and 4 had some commercial vogue, as shown by the defendant's circulars offered in evidence.

The King patent, it will be noted, was applied for as late as March 23rd, 1914, and, as seen by the testimony of Ray already quoted, *subsequent to Ray's invention date*. (Ray's conception and first drawing were "between November and December, 1913", R. 175. Reduction to practise March 10, 1914, R. 177.) King, therefore, is not a prior inventor, and of course his patent is not "prior art". It was not until a very much later date (October, 1915) that the defendant's predecessors, the American Standard Oil Burner Company, came out with its horizontal rotary burner in imitation and infringement of Ray.

PLATE VII

J. H. BECKE.
CENTRIFUGAL BURNER.

APPLICATION FILED MAY 19, 1913.

1,101,779.

Patented June 30, 1914.

Fig. 1.

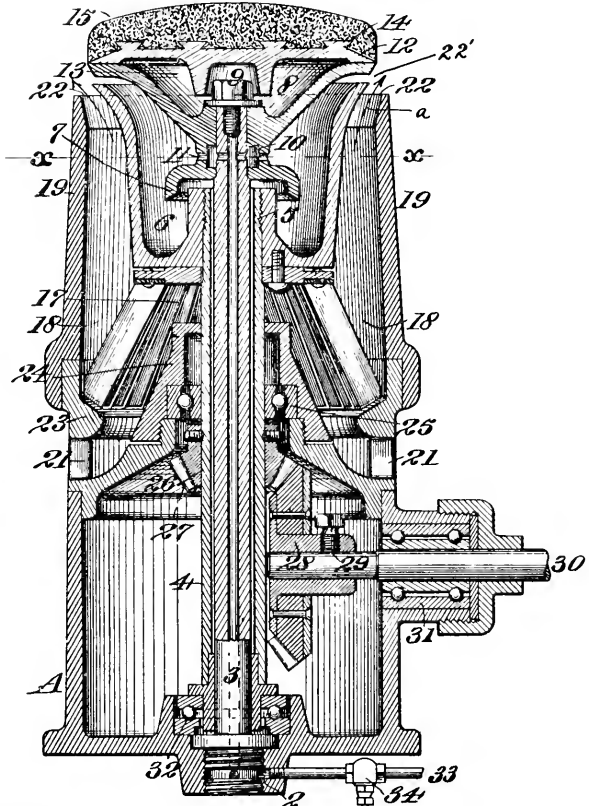
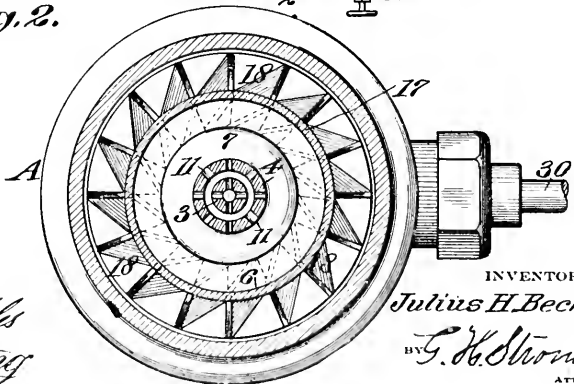


Fig. 2.



WITNESSES:

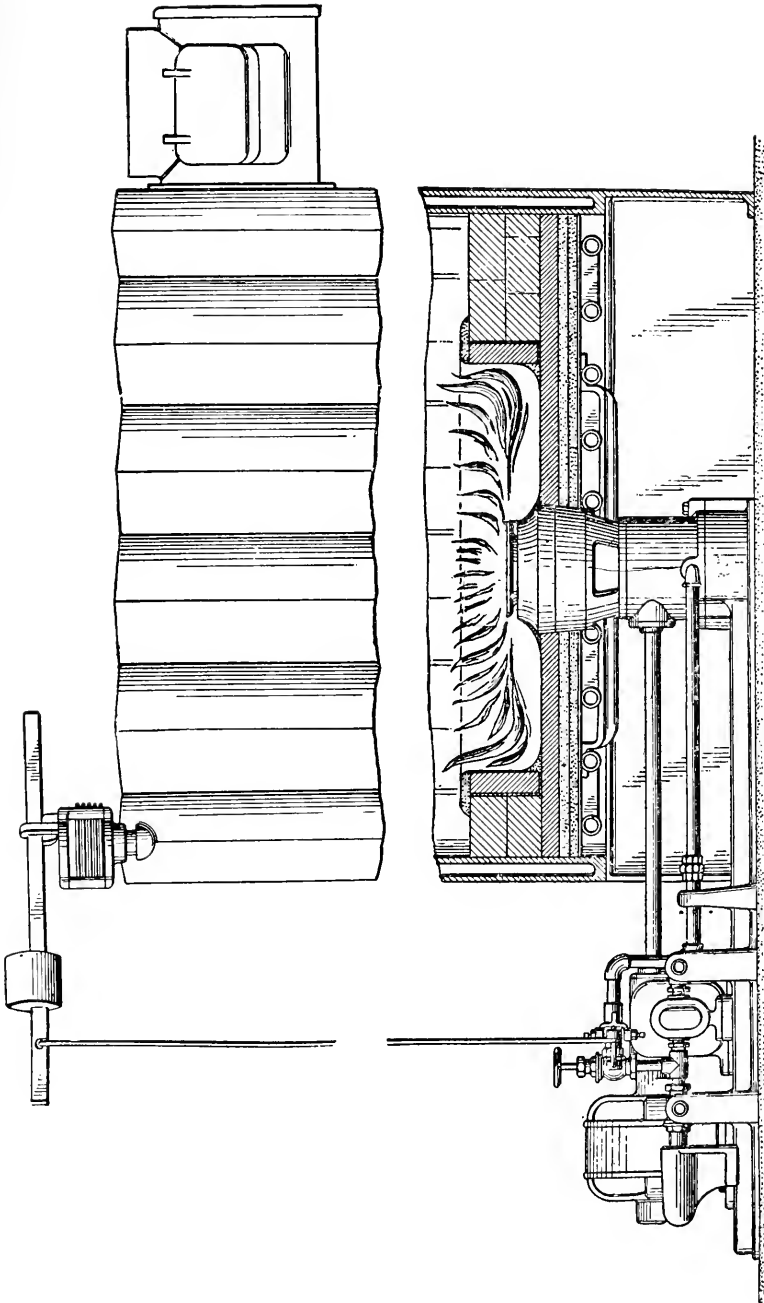
Charles Beckles
Max Gustafson

INVENTOR

Julius H. Becker

G. H. Strong
ATTORNEY

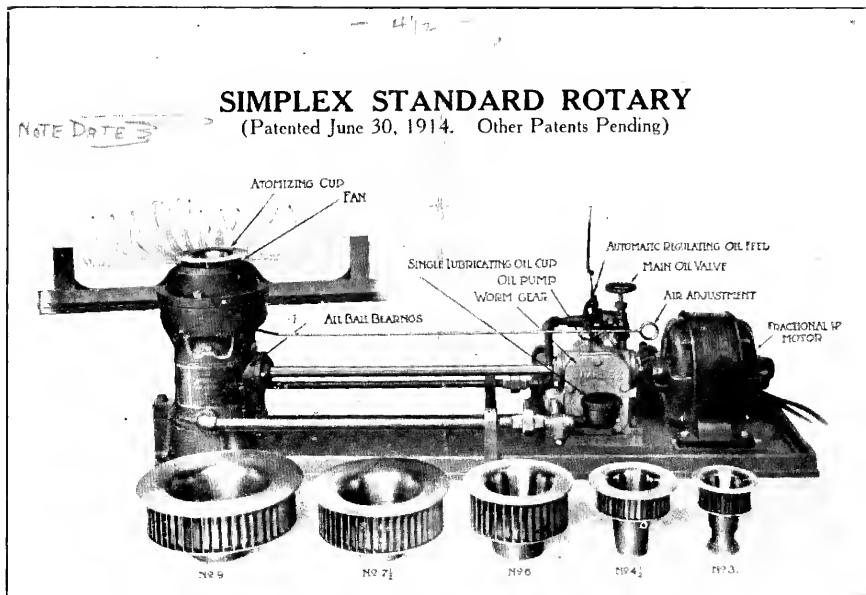
PLATE VIII



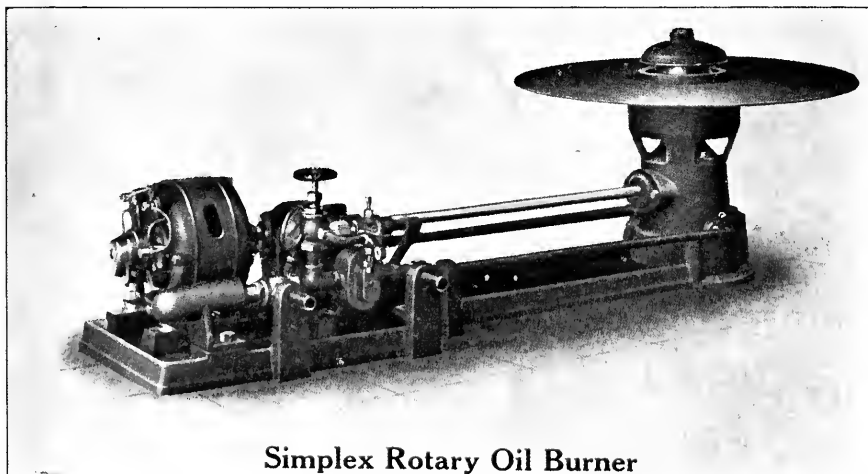
From page 70, Simplex Catalog, Exh. GG
This also appears at page 3, Deft's Exh. DD

King's "Saucer" Flame

PLATE VIII-A



Simplex Catalog—See Exh. 17—Note “Saucer” Flame.



Another type with “Becker” cover for cup.

DELANEY'S ARTICLE IN "FUEL OIL" MAY, 1923, (EXHIBIT 18—R. 137) AS AN ADMISSION AGAINST DEFENDANT'S CONTENTION OF LACK OF INVENTION.

The art prior to the advent of the defendant's infringing burner on the market is outlined by Mr. DeLaney, Vice-President and Sales Manager of the defendant corporation, in the article above referred to at pages 13, 14 and 15. He says in part:

(1) Oil As a Substitute for Coal—The Straight-Shot Steam Burner.

"The fuel condition confronting us about fifteen years ago was soft coal costing about nine to ten dollars per ton and hard anthracite coal costing about twelve to fourteen dollars per ton while fuel oil and, at that time it was the crude oil straight from wells, costing around one dollar per barrel of forty-two gallons.

"The success attained by those burning crude oil under power boilers using steam as the atomizing force through a 'gas pipe' burner was so successful and so economical that a man having a low pressure heating plant was very much interested and demanded serious attention."

(2) High Pressure Air Compressor Next Development.

Continuing, Mr. DeLaney says:

"The stumbling block was the lack of sufficient steam pressure to atomize the oil and the fact that a low pressure heating boiler was not equipped to automatically feed water to the boiler to make up for the steam used through the burner and the eventual liming up of the boiler which was impossible to clean.

"From the knowledge and information gained on steam atomizing burners there was built a motor driven air compressor unit, with an

oil pump mounted as an integral part, furnishing air at thirty to forty pounds gauge pressure and a burner similar to the steam atomizing burner was used, the grates were covered with a layer of fire brick, laid with air space between so that the necessary air for combustion would filter through the hot brick to the oil fire—and a course of fire brick on the sides and rear wall to protect the boiler fire box from the direct impingement of the oil flames.”

(3) Lower Pressure Large Volume Blower Next Step.

Continuing, Mr. DeLaney says:

“But the heavy air pressure gave such a blow torch effect to the fire that the brick would shortly melt away. This caused broken sections on cast iron boilers or burnt out tubes and sheets on the steel boilers.

“Then followed the rotary figure 8 blower given three to four pounds of air pressure with similar type burner only the installation of the burner consisted in removing the coal grates and building a fire brick combustion chamber in the ash pit of the boiler, carrying the side walls up to a sufficient height so that all of the oil fire was completely housed in, even arching over the rear end of the chamber into a pocket. In each instance there was required a fairly large size electric motor to operate the plant as it required a compressor to furnish about one-half cubic foot of air for each pound of oil burnt.”

(4) Continuing, DeLaney says:

“In 1892, the Navy Department Engineers made some experiments with a mechanical atomizing oil burner consisting of a revolving plate on a vertical shaft but other than a favor-

able and interesting report did nothing further."

(5) The Fess-Becker-King Vertical Rotary Burner the Next Step.

Mr. DeLaney next tells us:

"This led to the development of the vertical spindle rotary burner. This burner is driven by a small motor through bevel gears at a built-up speed of two to one, the motor setting directly in front of the ash pit door, and the burner head in the center of the fire box.

"The combustion chamber was built on a pipe frame set on the grate hangers, it is built saucer shaped of pieces of split fire brick and fire clay. In the rotary burner head is built a set of vanes which supplies the necessary air for combustion."

(6) The Ray—Infringing Simplex the Next Step.

Coming then to recent time DeLaney tells us:

"The next type of burner to follow was the horizontal rotary burner, consisting of small unit in which there is a small atomizing cup shaped somewhat like a thimble carried on the extended end of the motor shaft at a speed of 3400 R.P.M. On the same shaft is carried a fan which discharges its air current through a nozzle surrounding the atomizing cup. In this burner you have the mechanical atomizing of the oil by the rotary force of the revolving cup and sufficient air pressure to blow the atomized oil into the combustion chamber and as the fan does not furnish sufficient air for the maximum fire, there is an opening directly below the

(NOTE: Mr. DeLaney is possibly in error as to the date being 1892. Apparently he is referring to U. S. Naval Liquid Fuel Board Report published at the Government Printing Office, Washington, D. C., in 1904, and referred to by the Patent Office Examiners in connection with the King patent. See Plate XVI, Post.)

burner which admits sufficient air for the larger fire. This burner is installed by removing the coal grates and lining the ash pit area with fire brick, floor, sides and back and inserting the burner nozzle through the front wall."

The point of all this is that Mr. DeLaney, as a salesman and as an officer of the defendant company recognizes that the development of the oil burner business has been by well defined steps including distinct types of apparatus according to the method employed and that at no time was it ever considered that one species of apparatus was even substantially like a preceding one. In other words, the advent of the Ray Rotary and infringing Simplex represented, in Mr. DeLaney's opinion, a distinct epoch in oil burner development.

Further than this, the groups of patents granted show the recognition of the same epochal factors and principles stressed by DeLaney.

There is in evidence an enlargement (Exhibit 28) of an advertisement of an early Simplex infringing burner where it is said:

"The Simplex Junior Horizontal Rotary Crude Oil Burner is brought out *to fill the demand for a cheap and efficient crude oil burner for small boilers, hot-air furnaces and French ranges,*" etc.

A new means to fill a want. That has always been recognized as a good definition of invention.

THE EVIDENCE.

Turning next to the record of the evidence we find that the features shown, described and claimed in the Ray patents are emphasized, and the results of practical operation shown. As a matter of fact a patent is only valuable or meritorious where it is shown that it has evidently and unquestionably filled some practical WANT. If it has done that it has fulfilled the first requirement of the Constitution in promoting "the progress of science and useful arts". (Article 1, Section 8.)

Both parties called experts to explain the art. The plaintiffs' expert, Mr. R. S. Whaley, is a graduate of the University of Washington, a mechanical engineer of fourteen years' experience, and vice-president and general manager of the Power Plant Engineering Co., of Seattle, a concern dealing in oil burners and power plants in general (R. 61); Mr. Whaley's firm representing plaintiff corporation in the northern territory. He has had not only large practical experience in this art—but has had a very extended experience with patents pertaining to various engineering problems during the War when he was with the Government (R. 188).

The defendant's expert, Mr. De Laney, is vice-president and sales manager of the defendant corporation (R. 82 and 137). He has been with the defendant for three years; previously having been with the Fess System Co., of San Francisco, also in

the oil burner business, but who were making a different type of burner from that here in controversy.

The Fess System Co. was the originator of the so-called Vertical Rotary Head Oil Burner (see Plate XIV post), of which their president, Mr. Fesler, was the designer and originator. A history of the art shows that on the appearance of the Fess Burner on the market the defendant's predecessor gradually abandoned the so-called water method type of burner it had been marketing (see Plate V opposite) and began the exploitation of the so-called Becker and King type of burners to which further reference will be made later. It is to be borne in mind that defendant and its predecessors the American Standard Oil Burner Co. and the American Heat & Power Co. having changed but slightly in personnel during the past ten years being at all times practically under the same management, following much the same policy of imitation of competitors' goods.

Thus when the Ray Burner appeared in 1914 and 1915, the defendant's predecessors forthwith appropriated the Ray invention without so much as by your leave (R. 183-184).

Again, after the Fess Company changed from its vertical rotary head type of burner to the so-called "Turbine" type of mechanical atomization and after Mr. DeLaney had quit Fess and gone to work for the present defendant, the latter adopted the Fess Turbine method and is now using both the

Ray method here charged to infringe and the borrowed Turbine Type.

Of the Fess Turbine DeLaney says (R. 114-115):

“That Fess turbine uses a fan unit which establishes the current of air; that is led to the burner, and the burner proper has a revolving member carried on a ball bearing, or a series of ball bearings, and that member has a series of plates placed in the pathway of this discharging current of air, which causes this revolving member to revolve.

* * * * *

“XQ. Now, the Fess Company proceeded to put out a turbine type of rotary burner during the time that you were with them?

A. Yes.

XQ. When did you leave them to go with the present defendant?

A. Three years ago.

Q. Up to the time that you came with the defendant, it is true that the defendant had never put out a turbine burner such as they are putting out to-day, which is now before the court?

A. Yes.

Q. Now, at the time that the Ray burner was known to you during 1915, and at the time the Fess burner came out, how soon after that did you first hear of the defendant's horizontal rotary?

A. I don't know as I have any way of fixing that date.

Q. Well, approximately, your best recollection.

A. I could not say whether it was 1915 or 1916.

Mr. TOWNSEND. When we are speaking of the defendant's rotary burner we might include,

as well, the predecessors of the defendant, American Heat & Power Company, and American Standard Oil Burner Company.

Mr. WHITE. The Bunting Iron Works did not go into this business until 1919.”

These facts are merely adverted to, to show the tribute of imitation that defendant pays to competitors and to Ray in particular as an apparent matter of principle.

Mr. Whaley tells us on direct, something of the functions and mode of operation of the patented Ray invention as exemplified in the plaintiffs' and defendant's structures (Exhibits 7 and 1). Referring to these exhibits and to the enlargements of the drawings of the second Ray patent (Exhibits 8 and 9) and of the first Ray patent (Exhibit 15) and to elements of the Ray machine represented by Exhibits 10, 11, 12 and to the drawing of defendant's burner (Exhibit 13), Mr. Whaley points out in somewhat more detail and from a practical viewpoint the outstanding characteristics which the patents themselves have featured.

Mr. Whaley shows that the fan is of a *high velocity, small volume* type, producing *insufficient air for combustion but only sufficient for atomization*. The *diaphragm* is a direction means for spreading the air from the fan into a thin film without diminution of velocity for proper delivery around the oil cup.

Mr. Whaley says (R. 66-67) :

“This fan” (indicating) “is rotated by the motor discharging * * * at high velocity, at high pressure, a small amount of air * * *.”

* * * * *

“The air then is discharged through here and out through this opening, here, on the front part of the burner. This nozzle is fastened to the front part of this housing by two screws and makes an air-tight joint there between the housing and the nozzle; by removing this nozzle from the front of the housing you can better see the place where the air comes out and surrounds the atomizing cup; the air flowing through this nozzle of restricted area here is forced out around the outside of the cup under rather high pressure. The nozzle is shown on the cross-section in evidence here as No. 17, patent No. 1,285,376, Exhibit 8. The cup throws the oil off normal to its axis of rotation in this way, and the air cutting across that film of oil as it leaves the periphery of the cup is the agent for the atomizing of the oil and the mixing of the air with it for combustion; that is part of the air for combustion, but primarily for the atomization of the oil. I might say here for the Court’s information that oil to be burned properly and efficiently must be broken up into very fine vapor and mixed with the proper amount of air to burn. The purpose of this whole device is to accomplish that result, the breaking up of the oil into very fine vapor and mixing with the oil for combustion.”

SAME ADVANTAGES INHERENT IN INFRINGING SIMPLEX.

Mr. Whaley says (R. 67-68) :

“I have before me here a drawing entitled Simplex oil burner. (Exhibit 13.) This draw-

ing is a longitudinal cross-section of a rotary horizontal oil burner having a motor and a shaft, the end of the shaft terminating in an atomizing cup mounted on the shaft, a fan of relatively large diameter and small blade area.

* * * * *

“This drawing that I have now marked Plaintiffs’ Exhibit 13 was made partially under my direction from the machine shown here marked Plaintiff’s Exhibit 1 * * *.

That is the defendant’s burner. To continue the description, the fan is of *large diameter*, and relatively *small blade area*, discharging its *air over a thin diaphragm* through a housing, emitting into a nozzle 14—the *thin diaphragm* being marked 3, the fan being marked 5, the air passage behind the diaphragm being designated as air and being marked 4; the nozzle surrounding the atomizing cup being marked 7, and the air passage through the nozzle being marked 14; the oil is delivered into the cup, where it is driven off radially in a direction normal to the axis of rotation and picked up by a blast of the high *pressure* air at the periphery of the cup, and the oil is converted into a fine vapor and projected into the furnace.” (Italics ours.)

BOTH PLAINTIFFS’ AND DEFENDANT’S STRUCTURES FOLLOW THE RAY PATENTS AND BOTH ARE SUBSTANTIAL EQUIVALENTS.

Continuing, Whaley says (R. 68-69):

“I have before me here a machine marked Plaintiff’s Exhibit 1, which I recognize as an oil burner of the horizontal rotary type of the design known in the trade as the Simplex design. This is the motor, which in the sketch of

Plaintiff's Exhibit 13 is marked 11; this is the shaft marked 9 in Plaintiff's Exhibit 13; this is the fan housing, in which there is a fan of relatively large diameter and small plate (blade) area for discharging air over a diaphragm forward of the fan and behind which the air passes out into the nozzle, which is here marked in Plaintiff's Exhibit 7, and then passing around the outside of the atomizing cup marked in Plaintiff's Exhibit No. 11 to where it picks the oil up and discharges it into the furnace. The action of the air and oil in both Plaintiff's Exhibit 1 and Plaintiff's Exhibit 7 are identical; the atomization of the oil is accomplished the same way, exactly.

* * * * *

"A. The means for accomplishing atomizing in Plaintiff's Exhibit 1 and Plaintiff's Exhibit 7 are identical in every way.

The COURT. Is it disputed by the defense that they are identical?

Mr. TOWNSEND. I do not know. I do not know whether they make any serious contention that they are not infringements.

The COURT. If they do not, there is no use taking up time on it."

MACHINES IDENTICAL EVEN AS TO OIL CONNECTIONS.

Mr. Whaley says (R. 69-70):

"The WITNESS. I have before me a drawing * * *—marked Plaintiff's Exhibit 14, which represents an exterior view of a machine designated Plaintiff's Exhibit 1. This drawing was made partially under my supervision, and is a true representation of an exterior view of this machine, showing the hinging device in particular. In this device, the oil from the source of supply

is brought through pipe 27, thence into the hinge marked 26, down through the pipe No. 25, into the pump, No. 23, out through the pipe No. 32, and if the oil is to be burned, then it is diverted to valve No. 22, if not burned it is not sent back to the source of supply through pipe No. 24, through hinge lugs 5 and 9, and out through the hinge 26, and back to the source of supply.

* * * * *

“It is a double tee where the oil comes in here, but there is a division between the two; they are not connected here. On the outside it does not appear. It is identical with the hinge in action and design on Plaintiff’s Exhibit 7.

* * * * *

“The numbers used on Plaintiff’s Exhibit 13 and Plaintiff’s Exhibit 14 are in different colors. The black are used to describe patent No. 1,193,819, and the red are used to describe patent No. 1,285,376.” (Italics ours.)

De Laney admits, R. 90, he doesn’t know the amount of air pressure at the nozzle in defendant’s device; and at R. 93 that the air volume is only sufficient for atomization and not for combustion. Thus at R. 93:

“A. The chief function of the air current in these two types of burners here is for the changing of the current or direction of the oil current from that of right angles to the shaft or axis to parallel to the shaft, or projecting forward.

Q. State whether or not in one of these devices, and I am now referring to the defendant’s device and to the plaintiff’s device which you see before you, the air issuing from the air

nozzle is sufficient for the purpose of combustion of the oil consumed in the furnace?

A. That amount of oil would be sufficient at a *low point of consumption*; in reaching the maximum power or capacity of the burner, it would not be.

Q. And under the latter condition, what is done in order to supplement that supply of oil in the operation of one of these burners?

A. There is a space of additional air allowed to enter the combustion chamber from the atmosphere; that is drawn into the combustion chamber by the pull of the smokestack." (Italics ours.)

And again says DeLaney (R. 97):

"A. In building a fan for a specific purpose, knowing the desired *pressure* of air that you wish to carry, the *pressure* of air will give you the diameter of your fan. The volume of air that you want will be controlled by the width of the fan.

MR. WHITE. Q. What would be the proper design of a fan where you wished to take care of a small volume of air at a relatively high pressure?

A. Your runner would be *wide* enough to carry the necessary *volume* and the *diameter* to give you the necessary *pressure*. For a *small volume* it would be a comparatively *narrow* runner.

Q. State whether or not the fan which you find embodied in the defendant's device is designed in accordance with what you have just stated to be the factors entering into the design of a fan to take care of the amount of air which would discharge from the air nozzle in the defendant's device?

A. Yes, it would; it would give you a relatively *high pressure for a small discharge opening.*" (Italics ours.)

And on cross-examination (R. 111) DeLaney testifies:

"Q. And, in so far as these features of fan construction and air velocities and air pressures, you find them approximately the same in the plaintiff's device and in the defendant's device, do you not?"

A. Yes."

Thus it is seen that the experts are in accord.

THE TERM "HIGH PRESSURE AIR" AS APPLIED TO RAY BURNERS.

When we speak of high pressure we mean high in relation to the pressure that would be possible to get with a propulsion type of fan. This pressure is, of course, many times higher than could be obtained with any other type of fan than the one used in the Ray or infringing Simplex burner, but is, of course, lower when compared with the pressure that can be obtained with an air compressor.

The pressure on the Ray (and infringing Simplex) burner varies from a few ounces up to perhaps two pounds per square inch, on some of the larger burners. The pressure obtainable with an air compressor set is, of course, much higher than this, or up around one hundred pounds per square inch. So all of the testimony offered by

the plaintiff about higher pressure and lower volume was given with the idea of making a comparison between the Ray burner type of fan and method of operation, and the type of fan used in all of the various burners patented before the patent of the Ray, all of which used the propulsion type of fan.

From the foregoing and from other facts appearing in the case we may summarize some of the distinctive advantages of the Ray (and of the infringing Simplex) burner.

(1) A horizontal rotary oil burner in which the oil and air are discharged horizontally in a compacted column, like unto the ordinary straight-shot burners, and differing from the flat, vertical axis, saucer-like flame of the vertical burners theretofore in use.

(2) A high temperature flame projecting under the boiler and not into the flues.

(3) A straight-shot discharge produced by a small volume of air at high velocity but insufficient in itself for combustion.

(4) The surrounding of the oil as it leaves the atomizing cup by a cylindrical blast of air which acts as an air jacket to cool the atomizing cup and which prevents the oil from dropping to the bottom of the firebox.

(5) Minimum power consumption with minimum air volume and maximum speed and maximum air velocity.

(6) Accessibility and protection of parts of the Ray Burner placed *outside of the boiler* away from the intense heat, thus affording protection and insuring long life with minimum of repairs.

THE PRIOR ART.

Mr. Whaley's summary of the prior art relied on by defendant, and his differentiation of that art from both the Ray invention and defendant's infringing device can profitably be set out here in condensed form for the convenience of the Court.

Mr. Whaley's qualifications as an engineer and practical expert and his familiarity with patents will scarcely be questioned. The Court evidently accepted him as fully qualified (R. 188):

"MR. TOWNSEND. Will you please state what experience, if any, you have had in the study of patents?"

"A. My greatest experience in the study of patents was during the war, when many hundreds of inventions came out that the Government was anxious to get to help win the war; and to facilitate the passage through the Patent Office of those that were meritorious, they established throughout the country various boards that examined all of these.

"THE COURT. Come briefly to the point.

"A. I was on one of these boards that examined hundreds of these inventions and passed on those that were feasible."

**VERTICAL AND HORIZONTAL ROTARY TYPES OF BURNERS
OPERATE ON DIFFERENT PRINCIPLES.**

Taking up the patents relied on by the defense Mr. Whaley, after stating that he has thoroughly examined all of the patents offered by the defendant, proceeds to divide oil burners into five general classes which would include two classes of stationary and straight-shot type with which we are not concerned and three general types or classes of rotary burners, one of which classes again may be divisible according to the character and action of the fan employed:

(1) Vertical shaft rotary in which the whole burner is set directly into the fire box and a saucer-like flame is produced; the heat spreading out in a horizontal plane directly *over* the burner so that the latter is exposed at all times to the intense heat of the interior of the furnace. (Illustrations of this type of burner are Fessler, Britten, Becker and King, plates XII, XIII, XIV, XV post.)

(2) The horizontal shaft rotary employing a fan and oil distributing cup on the one shaft; this class being divided in turn into two distinct species or types: the "centrifugal blower" type and the "propulsion" type fan.

(a) *Centrifugal Blower Type* of fan of small air volume and high velocity to which plaintiff's patented burner and defendant's Simplex infringing burner peculiarly belong in a class by themselves. A characteristic of both plaintiff's and defendant's device is that they each have their burner mainly outside the fire box; the oil cup projecting through the front of

the fire box and besides being air insulated by the arrangement of the conical projection of the air nozzle is adapted to project a solid volume of flame horizontally into the fire box, much after the fashion of a straight-shot steam pressure gas pipe burner.

(b) *Propulsion Fan* of large air volume, low velocity, to which class the entire prior art of so-called Rotary Burners belong. (See Klein, plate IV, and Mack, plate XI post.)

(3) The Turbine Type of burner in which a blast of air of relatively large volume is directed against peripheral blades on a rotating cup to whirl the cup and distribute the oil employing no fan at all. (See Eddy, plate X post.)

Mr. Whaley says (R. 189-190):

“As a matter of information, I must preface my remarks with a short statement. Oil burning is accomplished by five different methods. The methods that we are interested in here are the methods using a rotary atomizer. The atomization of oil by the rotary method is divided into three different and distinct types. You cannot transfer one of these types to the other with success. The three types are the vertical type, which can be subdivided into two smaller classes, an atomizing cup and fan, and a motor all on one shaft. The vertical type of burning oil is entirely different from the horizontal type of burning oil; a different principle is involved. If given a sufficient time I could explain that. The horizontal type of burning oil is differentiated in two distinct types, one where the agent that actuates the atomizing cup is a blast of air blown against a turbine or a fan. That device is entirely different from one where the agent that turns the atomizing cup

and the fan is all on one shaft, for this reason, that where the fan and the atomizing cup are on the same shaft driven directly by the motor, and the air used for atomization can be controlled independently from the rotation of the atomizing cup. Where the atomizing cup is actuated by a device that requires air to be blown through a turbine to turn it, if you diminish the amount of air actuating the turbine you slow down the speed of your atomizing cup and as a result you lose the efficiency of the atomizing cup. Therefore, in that type of burner, it is impossible to adjust the amount of air for atomization, and, therefore, you cannot accomplish the result that you can with a device where the motor, and fan, and atomizing cup are all on the same shaft. In the oil-burner business, these two types of burner are separate and distinct, as a buggy from an automobile. They are not used in the same manner. The automatic control of the air and oil cannot be applied to the type where the atomizing cup is driven by a blast of air. When you eliminate these patents cited where a different method is used for atomizing the oil and obtain a new result, you narrow the thing down to just these two devices, the Simplex device and the Ray device."

Mr. Whaley shows at R. 200 and 201 and elsewhere the importance of the *diaphragm* with reference to the character of *fan* used.

**DIFFERENT TYPES OF FANS—THE PROPULSION TYPE;
THE CENTRIFUGAL TYPE.**

Defendant's attorney was seeking by this witness to draw a parallel; first, between the King and Ray

patented structures and next between the experimental 1911 King device and the Ray patented device.

Thus Mr. Whaley on cross-examination testifies (R. 199-200-201) :

“The fan on the King burner is a *propulsion type of fan*, which delivers a large volume of air at low pressure, which is used for combustion only, and assists in no way in the atomizing of oil. It applies, in the first place, to the vertical type of oil burner, which is entirely different in principle.

* * * * *

“The diameter of the fan that would go in the casing shown in model Plaintiff’s Exhibit ‘FF’ is so small that it would be impossible for it to deliver enough air at sufficient pressure to atomize oil thrown from the periphery of an atomizing cup of the large diameter shown in Plaintiff’s Exhibit ‘FF.’ This type of fan shown on the sketch marked Exhibit ‘EE’ is of a *propulsion type*, which *will deliver a large volume of air at very low pressure*, and could not at any velocity supply sufficient air to atomize the oil thrown from a cup of the size in the model ‘FF’.

* * * * *

TO INSERT A “DIAPHRAGM” IN KING WOULD
DEFEAT THE KING CONCEPT.

“*This device has no diaphragm or fan casing along the same line as the defendant’s device or the plaintiff’s device, and should they put a diaphragm with this type of fan it would utterly defeat the object of the fan, because this is not a centrifugal blower fan, it is a propulsion fan that throws a blast of air in line with the axis of rotation. The centrifugal*

PLATE IX

(No Model.)

2 Sheets—Sheet 2.

J. S. KLEIN.
ATOMIZER.

No. 473,759.

Patented Apr. 26, 1892.

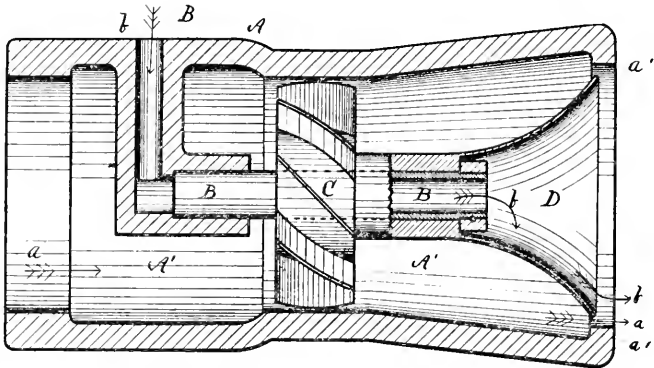


FIG 3

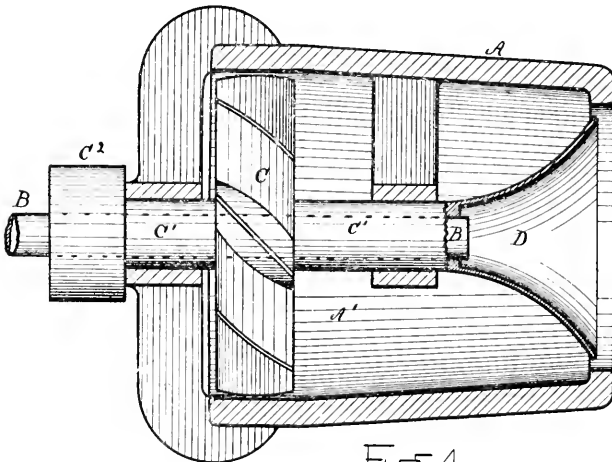


FIG 4

Witnesses

Will Marks.
E. F. Spaulding

Inventor

John S. Klein

By his Attorneys

Hullock & Hullock

blower such as used here in the device in question throws a blast of air in a *direction normal to the axis of rotation*. If you put a diaphragm in front of that propulsion fan it would utterly defeat the object of that fan.

“Q. I understand that drawing ‘EE’ shows no diaphragm?

“A. No, there is no diaphragm shown here.

“The COURT. What do you refer to by the diaphragm, what some have spoken of as a baffle?

“A. As a baffle, yes.

“The COURT. I understand now.

“A. This baffle here, No. 3. If you put a baffle of that kind in front of a fan of this type it would utterly defeat the object of the fan, because the direction of the air would be directed against the face of the diaphragm.”
(Italics ours.)

KLEIN PATENT, ATOMIZER, NO. 473,759, DATED APRIL 26th, 1892. (SEE PLATE IX OPPOSITE.)

This is a rotary burner of the *turbine* type as distinguished from the fan type of Ray.

Klein has a *small diameter, propulsion fan, wide blades, large cup*. Klein has *no diaphragm*. Indeed, Klein is the antithesis of both Ray and the infringing Simplex.

In Fig. 1 Klein shows a closed cup D, while in Figs. 3 and 4 he shows a flared bell-shaped cup open towards the furnace. As far as the cup is an open cup and flared, it more closely approaches the defendant's patent to King set up in the Counterclaim. In fact, we may safely state that any patent which the defendant may rely on to defeat the Ray

patent will, by the same token, destroy the King patent as far as concerns the claims sued on.

KLEIN A "PROPULSION" TYPE OF FAN.

The patent to Klein, the one most depended on to anticipate Ray, has a fan of the *propulsion* type as distinguished from Ray and the infringing Simplex. Mr. Whaley testifies (R. 191):

“Citing the Klein burner as an instance, it has a burner of the same diameter as the atomizing cup. It is known from experiments made, not only by myself, but by others, that a fan not of this type, but even the high pressure blower type must be at least seven times the diameter of the atomizing cup to drive a sufficient force of air across the film of oil leaving the periphery of the cup, and to divert its direction approximately in line with the axis of rotation. *The fan in the Klein burner is of the propulsion type, and it delivers a large volume of air at low pressure.* This fan, having the same diameter as the atomizing cup, it would be impossible in the Klein burner to drive enough air at low pressure around the periphery of the cup to change the direction of the oil vapor coming off the periphery of the cup. My opinion of the Klein burner is that it would not operate successfully.” (Italics ours.)

Concerning Mr. DeLaney’s attempt (R. 87) to show that Klein may produce some pressure at the oil cup where he says:

“The area of discharge is very much smaller than the passageway of the nozzle; that is, you have a restricted area at the discharge nozzle

in comparison to the chamber between the fan and the nozzle.

* * * * *

“It creates a pressure that is sufficient to keep the oil, that is, the atomized oil, or the oil leaving the atomizing cup, from striking the edge of the nozzle which is adjacent to the periphery of the cup.”

It must be manifest to anyone that Klein relies almost entirely upon the *rotary oil cup of large diameter* to atomize the oil and, therefore, it is possible to use a very low pressure air. Ray and defendant on the other hand, rely upon the large diameter narrow blade fan *and direction diaphragm* to produce the *small volume* high velocity air to atomize the oil thrown off by the *small diameter oil cup* of Ray and Simplex.

It is manifest that to remove the Ray Diaphragm would result immediately in a reduction of air pressure and lower air velocity. The fact that the defendant uses the diaphragm as well as everything else in the Ray combinations sufficiently suggests the necessity of these features.

Concerning Klein, Eddy and others, it may be said as in *Kirchberger v. American Acetylene Burner Co.*, 128 Fed. 599, (2nd C. C. A.) at page 605:

“We conclude, therefore, that said Bullier patent does not anticipate the patent in suit because: (1) The defendants have failed to show that it is capable of successful practical operation, or that the objections thereto were such as could be obviated without the exercise of the

faculty of invention. *Sage v. Wyncoop*, 104 U. S. 419, 26 L. Ed. 740. * * * (3) It appears that it does not operate upon the theory or in the manner covered by the invention in suit."

MISCELLANEOUS PRIOR ART.

Next taking up the individual patents offered by defendant to anticipate or limit the Ray patents in suit, Mr. Whaley says:

Cook Patent No. 73,506, Jan. 21, 1868, Exhibit B (R. 191-192):

"The Cook patent has no fan, and relies upon the induction of air by the natural draft of the chimney, or by forced draft from some exterior agent to furnish air for combustion. He relies for atomization entirely upon the centrifugal action of the cup. This burner would not operate for all the high pressure air or steam is blown in with the oil and the oil broken up in that manner and the air for combustion induced by the natural draft of the chimney or forced draft. It applies to an entirely different type of burner than the two burners in question."

Defendant's so-called expert DeLaney had previously admitted on cross-examination (R. 118) that Cook's revolving distributor D, with its radial vanes, was not a *cup* in any sense.

KINNEY PATENT NO. 315,145, APRIL 7, 1885 (EXHIBIT D).

Whaley says (R. 192):

"The Kinney patent is a steam jet air induction device or smoke-consuming furnace, and not a burner at all."

PLATE X

(No Model.)

2 Sheets—Sheet 1.

A. H. EDDY.
APPARATUS FOR BURNING OIL.

No. 540,651.

Patented June 11, 1895.

Fig. 1

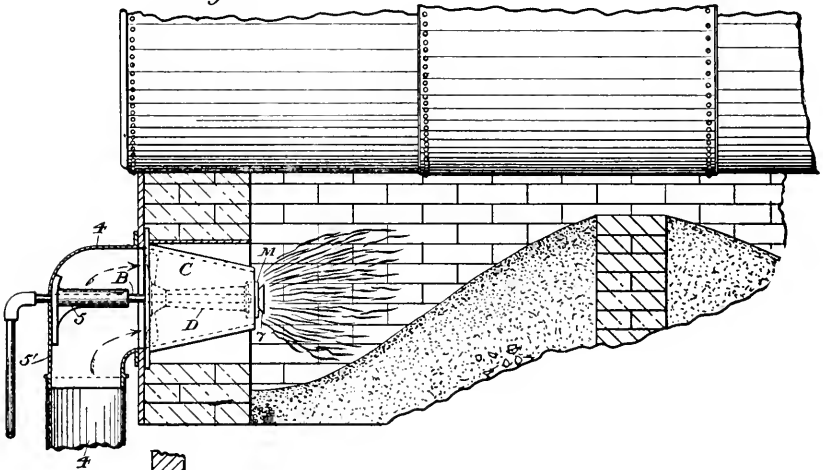
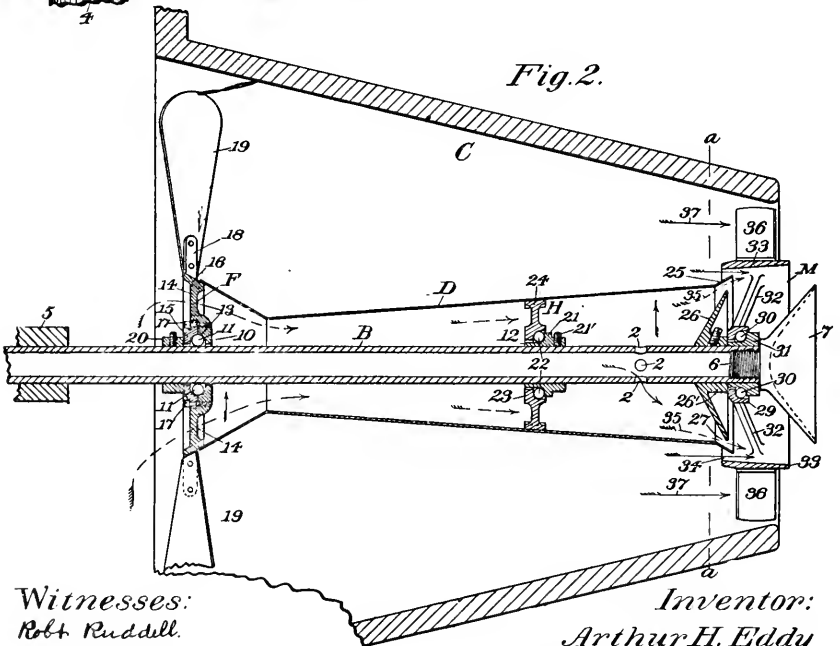


Fig. 2



Witnesses:
Robt. Ruddell.
Fred. J. Dole.

Inventor:
Arthur H. Eddy
By his Attorney,
F. W. Richards

COLLINS PATENT NO. 426,713, APRIL 29, 1890 (EXHIBIT E).

Whaley says (R. 192):

“The Collins patent is a jet type of burner. The cup A in Fig. 2 is not an atomizing cup; it is simply a superheating device for heating oil in a jet type of burner, and does not rotate at all.”

Previously DeLaney had testified (R. 119-120):

“Mr. TOWNSEND. Q. Now, referring to Collins No. 426,713, that is another straight shot type of burner, is it not?”

A. Yes.”

* * * * *

“Q. And the burner is mounted on a swivel entirely separate and independent from the door hinges?”

A. Yes.

Q. And it has a hinge movement entirely separate and *independent from* the door hinge movement: That is correct, is it not?”

A. Yes.” (Italics ours.)

LEYSON PATENT NO. 530,539, DECEMBER 11, 1896
(EXHIBIT G).

Whaley says (R. 192):

“The Leyson patent is merely a water-jacketed door for keeping a furnace door cold. It is not an oil-burning device.”

EDDY PATENT NO. 540,650 AND NO. 540,651, JUNE 11, 1895
(EXHIBITS H AND I) (See PLATE X OPPOSITE).

These patents are strongly relied on by defendant but they are *turbine* burners and not at all analo-

gous to plaintiffs' or defendant's burners. Of course they lack a diaphragm.

DeLaney admits (R. 120) that patent No. 540,650 does not show a fan, air being supplied by force draft through the large conduit D and at (R. 121) he *admits that patent No. 540,651 is a turbine burner with two sets of turbine blades 19 and 36.*

Whaley says concerning the Eddy patents (R. 192-193):

“The COURT. There are two Eddy patents.

A. The Eddy patent No. 54,650 is a type of burner where the air is brought from an exterior source, and the atomizing cup driven from a pulley on the shaft. It is well known from experiments by myself and others that an atomizing cup with an angle of divergence such as that cup S, the oil pouring through that cup would not take the rotation of the cup, but would pour off the cup. The cup must be more nearly horizontal, so that the oil would be picked up by the rotation of the cup, to be atomized.

The second Eddy patent, No. 54,651, is a device where the power for rotating the atomizing cup is supplied by a blast of air from an exterior source. This blast of air must be held at a constant pressure, so that the atomizing cup will be held at a constant speed. If you reduce the air pressure you slow the cup down and the oil is not atomized and your fire goes out. That device does not belong to the same system of burning oil as the two burners here in question.”

As indicative of DeLaney's unreliability, see his testimony at R. 95 of the record, where on direct

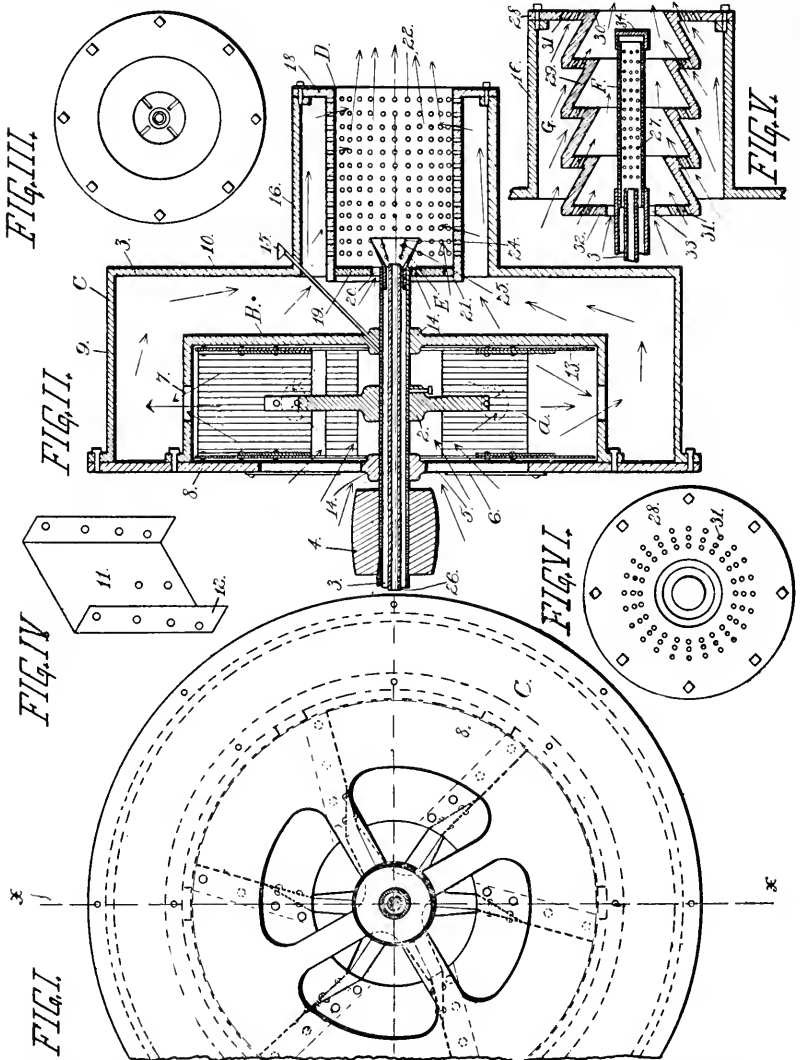
PLATE XI

(No Model.)

C. P. MACK.
HYDROCARBON BURNER.

No. 548,647.

Patented Oct. 29, 1895.



WITNESSES
W. C. Swift
V. H. Bradburg

INVENTOR
Courland P. Mack,
BY *J. M. ...*
ATTORNEY.

examination, in attempting to explain the second Eddy patent, he mistook a motor for a fan, and a bracket for a pulley, so that his own attorney had to correct him, as follows:

“Q. Aren't you mistaken in regard to the device in the air nozzle being a fan? Isn't it an air-driven motor, in the second Eddy patent?”

A. Yes, it is.

Q. And the part 5 which you took for a pulley is a bracket.

A. A bracket, yes, that is correct.”

If these Eddy patents, or either of them, are or is relied upon by the defense as their best reference, then manifestly the Ray patents must be sustained.

MACK PATENT NO. 548,657, OCTOBER 29, 1895 (DEFENDANT'S EXHIBIT J) (SEE PLATE XI OPPOSITE).

Concerning this patent Mr. Whaley says (R. 193-194):

“The Mack patent has a fan and an atomizing cup, but at a glance it is evident to anyone familiar with the burning of oil that the burner would not operate for more than a period of a few hours before the holes E through the chamber D, surrounding the atomizing cup, would be plugged with carbon and oil and passage of air from the fan to this atomizing cup stopped. These passages for air between the fan and this atomizing chamber are so proportioned that the high velocity of the air from the fan would be lost unless a tremendous force were applied to the fan.”

DeLaney's testimony on cross-examination (R. 122-126) practically corroborates Whaley both as to the doubtful operativeness of Mack and as to its differences in principle from both plaintiff's and defendant's device. Thus (R. 122-123):

"XQ. You note at the top of page 2 of the Mack specifications that the atomizer E is described as 'preferably conical in shape, with the larger end outward, and providing with radiating slots 24 and perforations 25.'

A. Yes.

XQ. So that that cup is a *perforated slotted* oil distributing cup, isn't it?

A. Yes.

XQ. What is the effect of throwing off the oil through the slots and perforations 25 of this cup upon the surrounding perforated cylinder D?

A. Well, you have a multiple of air jets coming off the cylinder D, which would carry that oil forward into the combustion chamber.

XQ. Let us see if that is true: *The cylinder D is stationary, is it not?*

A. Yes.

XQ. And these perforations are in lines radial to the axis of the rotating cup?

A. Yes.

XQ. So that the air jets coming through those perforations in D are coming crosswise of the axis of the rotating cup: Is that not true?

A. Yes.

XQ. Now, which way is the oil traveling from the cup, whether over the lip or through the perforations 25 and the slots 24 of the oil cup—that oil is traveling in a radial direction?

A. Yes, as your oil is admitted into that atomizing cup there, there is a certain amount of oil, that is, the oil that is passing over that first series of holes 25 passing out into D.

XQ. Being thrown by centrifugal force at right angles to the axis?

A. Yes, through these holes or perforations at right angles into the tube D."

* * * * *

"XQ. As a mechanic, would you say that the amount of air that would come through that little annular space 20 just rearward of the oil cup E would equal in any proportion whatever the amount of air that would come through the perforations in the cylinder D?

A. No.

XQ. The amount of air that would go through 20 would be infinitesimal compared with the amount that was intended to go through the perforations in D?

A. Yes." (Italics ours.)

And page 124:

"XQ. You would have the oil passing out through the perforations of cup E or out of the cup E traveling in a direct line in opposition to the air that is entering through the perforations of the wall of D, wouldn't you?

A. Yes.

XQ. And that would not be in toward the furnace?

A. No, that would be toward the center."

Manifestly, the small peripheral openings (7) in the fan casing (Figs. I and II) and the large air trunk into which these openings discharge are at best only remotely suggestive of the Ray combination where it is so essential to initiate and to maintain *small* air volume and *high* velocity throughout.

The fan of Mack is entirely different from either plaintiff's or defendant's fan.

To quote further from Mr. DeLaney's cross-examination (R. 125):

"XQ. The fan that you see in this Mack patent is of relatively small diameter, with respect to its width?

A. No.

XQ. It is relatively wide with respect to its diameter. Does that meet with your approval?

A. That is a matter of opinion what the relationship would be between the width and diameter.

XQ. As contrasted with plaintiff's and defendant's device, my statement is correct?

A. Yes.

XQ. You observe that the paddle fan that they have in here causes the air to escape through a comparatively small opening in the periphery?

A. Yes.

XQ. And this air that is set in motion by the fan, escaping through the apparently *small orifice 7, escapes into a relatively large air trunk?*

A. Yes.

XQ. And then is carried forward and distributed as you described into and through cylinder D?

A. Yes.

XQ. Now, as a matter of fact, do you consider the Mack device a very practical one?

A. Well, as the *air discharges through port 7 into that large area there, means a slowing up of the velocity of the air, and that means killing or lessening the friction.*" (Italics ours.)

And at (R. 126):

"XQ. It would not serve the purpose, however, of either the plaintiff or defendant in their machines, as you construct them?

A. *Well, they do not do it; why, I do not know.*

XQ. *You do not get that action, do you?*

A. *No."*

* * * * *

“The COURT. Once more, I do not understand that the defendant has introduced these patents on their merits, or as illustrating the likeness between these patents and the others that are in suit, on their own device, other than certain points of resemblance, and I do not see any necessity for going into this cross-examination, whether it is a practical device or not. He has simply pointed out, as the Court remembers the testimony, that it shows some of the factors that enter into your device and the defendant’s.

Mr. TOWNSEND. I would like to say that a patent introduced for one thing may be received for everything.

The COURT. That is true, but again, we have a rule with respect to cross-examination. You may show by your own witnesses whatever you desire as opposed to their claim.”

Manifestly, if plaintiffs could show, as here was shown by defendant’s own expert that the Mack patent was in fact not only materially different from Ray, but, moreover, was impractical or inoperative, such examination was, under the circumstances, not only perfectly proper as cross-examination but germane to the very subject concerning which the witness has been called to testify: that is as to the alleged effect, if any, of the prior art on the Ray patents.

As observed by Judge Lacombe in *Thomson-Houston Electric Co. v. H. W. Johns Co.*, 105 Fed. 249, 250:

“Objection is taken that this is not proper cross-examination, since the prior patent was not referred to on the direct.” But, says the Court, plaintiff’s expert “has referred to the state of the art, briefly, it is true, but nevertheless sufficiently, in order to magnify the meritoriousness of the invention; and therefore defendants are within their rights in insisting upon a cross-examination covering the whole state of the art.”

“To permit a party to the suit to tell his own tale of a transaction like this and to conceal what is important to the defendant in regard to the same occurrence and at the same time, would be a gross perversion of justice, and would bring into discredit the policy of permitting parties to actions to testify in their own behalf.” (*Gilmer v. Highley*, 110 U. S. 47; 28 L. Ed. 62-63).

In this connection it may be recalled that:

“However close the resemblance between some prior alleged invention, even when put into actual use, and the patented invention, if such alleged prior invention was not operative, and failed to produce the beneficial results sought and produced by the patent, it could not constitute prior invention. In such case the patented invention can not be regarded as old.” (*General Electric Co. v. Wise*, 119 Fed. 926.)

To the same effect see:

Cimotti Unhairing Co. v. American Unhairing Machine Co., 115 Fed. 500;

General Electric Co. v. Wise, 119 Fed. 926;

Underwood Typewriter Co. v. Elliott Fisher Co., 165 Fed. 928;

Barbed Wire patent, 143 U. S. 282;

Magawan v. Belting Co., 141 U. S. 332;

Hobbs v. Beach, 180 U. S. 383;

Paper Bag Case, 210 U. S. 405-416; 52 L. Ed. 1122-1127.

As said by the Circuit Court of Appeals of the Sixth Circuit, in *Loew Filter Co. et al. v. German-American Filter Co. of New York* (164 Fed. 855-860, C. C. A. Oct. 16, 1908):

“It is not competent to read into a publication relied on as an anticipation of a subsequent patent information which it does not give, nor by expert opinion explain an otherwise uninforming statement by evidence of some apparatus or article not itself competent as an anticipation.”

If the defense considers this Mack patent their best reference we are unable to see wherein it invalidates or limits the Ray patents in suit.

As said by Judge Hand in *Asbestos Shingle, Slate & Sheathing Co. v. H. W. Johns-Manville Co.*, 184 Fed. 620, 626:

“* * * the art must be enriched by more than fruitful intimations, untested suggestions, or pregnant surmise before the subsequent comer

who has elaborated and proved the invention may be deprived of his right.”

HAMMAN PATENT NO. 563,483, JULY 7th, 1896 (DEFENDANT'S EXHIBIT K), AND NO. 799,560, SEPT. 12th, 1905 (EXHIBIT P).

Whaley says (R. 194-5):

“The Hamman and Voegeli patent is merely a forced draft fan for blowing air in over a coal fire to supply a forced draft. It has nothing to do with the burning of oil.”

* * * * *

“The Hamman patent, No. 799,560, is simply an induced draft apparatus. It has nothing to do with the burning of oil at all, simply a fan actuating a steam turbine. That fan would have to be used as a forced draft apparatus instead of induced draft apparatus.”

On cross-examination DeLaney testified (R. 126-7):

“XQ. Now, in the Hamman patent, No. 563,483, that is not an oil burner device at all?

A. No.

XQ. It is simply a so-called smoke consumer?

A. That is all.”

And again (R. 128-9):

“XQ. Hamman, No. 799,560, that is merely an air blower, turbine air blower, is it not?

A. Yes.

XQ. And is not the term ‘induced draft’ improperly used in the patent there? It really ought to be ‘forced draft,’ shouldn’t it?

A. In either way.

XQ. That is a turbine forced draft apparatus?

A. Yes, *turbine forced draft apparatus*.

XQ. There is no oil burner of any kind shown?

A. No."

THOM PATENT NO. 668,236, FEB. 19, 1901 (EXHIBIT I);
 ANDERSON PATENT NO. 719,716, FEB. 3, 1903 (EXHIBIT M);
 GIBBS PATENT NO. 752,900, FEB. 23, 1904 (EXHIBIT N);
 GORDEJEFF PATENT NO. 764,718, JULY 12, 1904 (EXHIBIT O);
 JOHNSON PATENT NO. 1,009,525, NOV. 21, 1911 (EXHIBIT Q);
 GORDON PATENT NO. 1,085,334, JAN. 27, 1914 (EXHIBIT T).

These patents are so entirely irrelevant that they may be disposed of *en bloc*. Concerning them Whaley says (R. 195-5):

"The Thom patent is a patent merely for making a pipe-line flexible with several joints. It is a jet type of burner, as far as the burner goes, and has no relation to this type of burner in question.

The J. W. Anderson patent shows a jet type of oil burner, having two hinges, with the oil and steam coming through the different hinges, with a stuffing box on each hinge. The burner is a jet type of burner, and applies to an entirely foreign type of oil burner than the ones in question here.

The Gibbs patent is a vertical type of burner. The agent for atomizing the oil is entirely a flat plate, and the oil is run out on this flat plate, and the atomizing is accomplished entirely by centrifugal force. A large diameter of plate or cup must be used because to get

sufficient force on the centrifugal action only, you have a large radius, because the centrifugal force is directly proportional to the square of the radius.

The Gordejefff patent is simply a jet type of oil burner, and not comparable with this type of burner in question at all. This Gordejefff patent has swivel joints on the pipe-line leading to the burner.”

* * * * *

“The S. F. Johnson patent has a fan with a number of blades or fingers on it, and the oil is sprayed against these blades and blown into the furnace. This device would not be successful. It is apparent to everyone familiar with oil burning that the device would not operate and is not comparable in any way with the two devices in question.”

* * * * *

“The Gordin patent has a fan device for atomizing the oil which is splashed on the blades of the fan vertically, and not in any way comparable with the oil burners here in question.”

We quote from DeLaney’s cross-examination on these patents simply to show the careless manner in which he testified and his misuse of terms. Thus (R. 127-8):

“XQ. Now, in Gibbs, 752,900, I understood you say that this had a cup. Will you indicate what the part is that you would call a cup?

A. I would call *M* a cup.

XQ. That is nothing but a straight, flat disc, is it?

A. It is a rotary or atomizing plane.

XQ. It is a plane horizontally disposed disc with an oil feed up through the middle?

A. Yes.

XQ. Not a cup at all?

A. *No, it would not be called a cup.*

XQ. I had an idea that your use of that was inadvertent in calling it a cup. This is driven by a steam turbine, is it?

A. Yes."

* * * * *

"XQ. What would be the character of the flame that might be produced in this Gibbs burner with this horizontal blade M: wouldn't that be more or less of a saucer shape?

A. It would be a flaring saucer, you might call it, not a flat plane, but a plane that would be possibly an angle of 30 degrees.

XQ. Not like the flame that either the defendant or the plaintiff has?

A. *No, neither one.*" (Italics ours.)

(R. 129):

"XQ. Referring to *Johnson, No. 1,009,525*, of November 21, 1911, is that anything more than a mere paddle wheel, looking at Fig. 2, revolving in a casing, and that the oil is brought by pipe 57 against the blade of the paddle wheel and broken up in that way?

A. Yes.

XQ. And mixed with whatever air comes along the conduit?

A. Yes."

—————

DIFFERENT TYPES OF VERTICAL ROTARY BURNERS.

Attention has previously been called to the differences in principle between so-called horizontal rotary burners and vertical rotary burners.

One outstanding difference is in the shape of the flame. All vertical rotary burners create a "saucer-shape" flame which is wholly inadequate for use under a boiler requiring a flame of the "straight-shot" or columnar type of Ray and of defendant's infringing Simplex.

Typical Rotary Burners of the Vertical Shaft
Type art:

- Britten, 1,022,122—April 2, 1912, (Exhibit R);
 Fesler, 1,026,663—May 26, 1912, (Exhibit S);
 Fesler, 1,113,108—Oct. 6, 1914, (Exhibit X);
 Becker, 1,095,447—May 5, 1914, (Exhibit U);
 Becker, 1,101,779—June 30, 1914, (Exhibit V);
 King, 1,158,058—Oct. 26, 1915, (Exhibit Z).

Several of these patents are illustrated opposite.

Concerning them Mr. Whaley says (R. 195):

"The Britten patent is a vertical type burner, which puts it in an entirely different class, because it works on a different principle from the burners in suit. The atomizing device is a fan blade, and not an atomizing cup at all, and works on an entirely different principle than the two burners in question.

The Fesler patent is perhaps the first case of vertical type of oil burning. It operates on the principle of atomizing the oil entirely by the centrifugal force, the air supplied being for use only for combustion. The air travels in the same direction as the flow of oil from the atomizing device, and it does not assist materially in atomization, but is used only for combustion. The atomization is entirely accomplished by the rotation of the centrifugal

PLATE XII

W. M. BRITTEN.
 ROTARY OIL BURNER.

APPLICATION FILED JAN. 25, 1909.

1,022,122.

Patented Apr. 2, 1912.

Fig. 1.

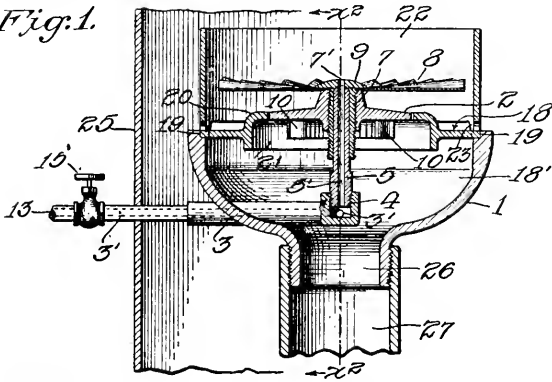


Fig. 2.

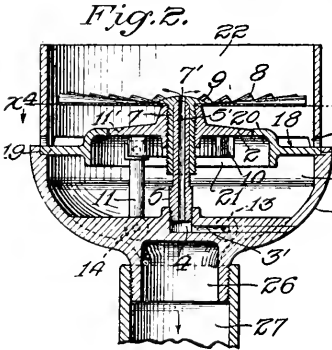


Fig. 3.

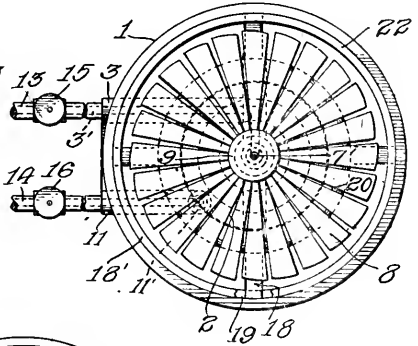
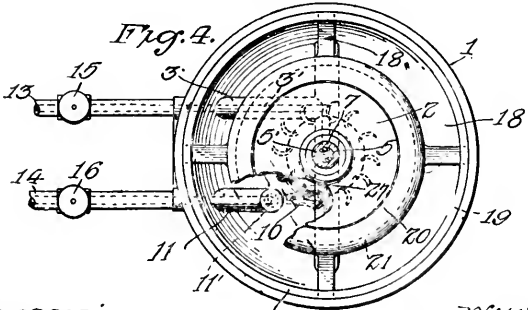


Fig. 4.



Witnesses:

W. J. Williams
Louis H. Gratz

Inventor,
 William M. Britten.

James G. ...
att.

head. That is one of the differences between a horizontal and a vertical burner.”

DeLaney says concerning the shape of the Fess flame (R. 101):

“Q. What would be the type of flame in connection with this Fessler burner, what would be the form?”

A. It might be described as being saucer-shaped.”

Continuing Whaley says (R. 196-197):

“The J. H. Becker horizontal burner patent shows two gears for picking up the oil and a propulsion fan behind for in theory blowing the oil which these two gears splash up into the fire-box. The device, on its surface, shows that it will not operate for any length of time, for the reason that the oil, after being picked up by the gears, will be recondensed by being blown against the inside of the tube, which converges at its front end. This condensation takes place because that if the oil after being atomized comes in contact with a cold surface it will immediately condense from a vapor into oil again. So the device is inoperable for that reason.

The J. H. Becker centrifugal burner patent No. 1,101,779 (see Plate VII, supra), is a vertical oil burner, and the oil is introduced into a rotating cup. I put more time on this because it seems to be more in point with the burners here in question.

The oil is introduced into the bottom of the cup and raised to the periphery of the cup and thrown off by the centrifugal force of its rotation. The fan is of the same diameter as

the cup, or practically so. It will not operate on the principle of these two burners in question for the reason that experiments have shown, not once but many times, that a fan of even higher velocity than this type will not blow sufficient air to catch the film of oil unless the fan is at least seven times the diameter of the atomizing cup, because the force of the oil coming off the atomizing cup is greater than the force of the air blown by the fan; of course, a very small quantity of oil or a few drops might be caught by the air from the fan, such as this. A burner of this type produces a saucer-shaped flame.”

Considering the other patents Mr. Whaley says (R. 197-198):

“The M. A. Fesler patent, No. 1,113,108 is of the vertical type of oil burner, and the atomization is accomplished by the centrifugal force of the cup, and none of the air blown in is for atomization, but for combustion only. The oil from the cup makes a saucer-like flame. In this particular patent the cup is double, made of two parts, so that a large amount of oil can be atomized. That patent, however, applies to the vertical type of oil-burning apparatus, entirely different in principle from the devices in question.

The W. E. Shore patent is a superheating device for furnaces; it has nothing to do with atomization or burning of oil. It has, however, a swivel joint on the air pipe-line going to the superheater.”

Continuing the witness says (R. 198):

“I might say, * * * that these differences in the method of burning oil are recognized by

everyone in the oil burning business, and they do not consider them comparable in any way. The vertical type of oil burner works on an entirely different principle from the horizontal type of burner.”

DEFENDANT'S EXPERT DELANEY CORROBORATES WHALEY ON ALL MATERIAL POINTS AS TO DIFFERENCES BETWEEN PRIOR ART PATENTS ON THE ONE HAND AND THE PLAINTIFF'S PATENTS AND DEFENDANT'S INFRINGING MACHINE ON THE OTHER.

Thus (R. 129):

“XQ. Now, take Britten, No. 1,022,122, that is a water turbine type of burner, is it not?

A. Yes.

XQ. Used for small installations in stoves and the like?

A. Yes.

XQ. And the water is admitted through the pipe 14: Is that correct?

A. Yes.

XQ. The oil supply pipe is 13, and water supply pipe is 14?

A. Yes.

XQ. By means of this water jet through pipe 14 impinging against a turbine wheel, you set the little spreader blade 8 in motion?

A. Yes.

XQ. And some air current is induced?

A. Yes.

XQ. That is not a cup in any sense?

A. No, it is not.”

Continuing (R. 129-130):

“XQ. It is simply a flat head corrugated. Coming to Fesler, 1,026,663, is it not a fact

that in this type of apparatus and also in the Becker patent here, defendant's predecessors, the atomization is shown to be largely by centrifugal force, and not by any mechanical action?

A. In Fesler, yes.

XQ. I see that is emphasized in lines 75 to 92 of his specifications. In Fesler there was produced a substantially saucer-shaped flame?

A. Yes.

Q. I believe that was illustrated in a pamphlet that was introduced?

A. Yes, sir."

DEFENDANT'S EXPERT DISTINGUISHES BETWEEN FESLER AND BECKER AND KING AND DRAWS FINE DISTINCTIONS BETWEEN DIFFERENT SHAPES OF CUP WHICH GO TO DISPROVE ANTICIPATION OF PLAINTIFF'S PATENTS.

Thus testifies Mr. DeLaney on cross-examination (R. 130-131):

"XQ. In connection with Fesler I call attention to the Becker patent, 1,101,799, of June 30, 1914: Would not that show that the Becker type of apparatus there and the Fesler type just referred to were quite alike?

A. No.

XQ. They were both vertical rotary centrifugal burners, were they not?

A. That is, they both have the rotating cup and the fan on the same shaft, but the angle of the cup is entirely different.

XQ. There is some variation, you would say, in the angle of the cup?

A. In the angle of the cup, and the angle of the discharge nozzle.

XQ. In what way do you mean?

A. On Becker's patent the air is discharged almost parallel to the shaft that carries the cup, diverging off only a few degrees, and that is all.

XQ. You recall that the Becker device, as constructed, produced likewise a saucer-like flame?

A. That would depend entirely on the speed at which they carry the fan.

XQ. In actual practice, the burners which the American Standard Company manufactured did produce a saucer-like flame very much like the Fess flame, did they not?

A. No, it was straighter.

XQ. Your recollection is that it was straighter?

A. Yes. On the Fess, the oil is at right angles to the shaft, and on the Becker it is going up considerably.

XQ. I will show you an enlargement, from the defendant's predecessor's catalog or about that time, in which you can see one of the defendant's predecessor's vertical rotary burners with a saucer-like shaped flame; you recognize that, do you not?

A. Yes, that is King's patent.

XQ. You believe that that is the King patent?

A. That is the King patent.

MR. TOWNSEND. I ask that this first enlargement I have referred to be marked Plaintiff's Exhibit 16. That same cut, your Honor, appears in the little circular the defendant offered."

(This circular referred to is defendant's Exhibit DD and the cut as it appears at page 3 is reproduced as plate VIII, supra.)

DELANEY ADMITS THAT BECKER ALSO PROJECTED A
SAUCER-SHAPED FLAME.

(R. 131-132):

“XQ. I show you an enlargement taken from one of the defendant’s predecessor’s catalogs of a Simplex standard rotary, marked ‘Patented June 30, 1914’, and I ask you if you recognize that, either from the Becker patent or a Standard Simplex burner of approximately that date?

A. That is the King.

XQ. You believe still that that is the King design? That does not, however, correspond with the King patent, does it?

A. No.

XQ. Do you know what patent it does correspond to?

A. Becker’s.

XQ. Does not that show a saucer-shaped flame?

A. It does.” (Offered as Exhibit 17, R. 132.)

Continuing (R. 132-133):

“XQ. When you say the King design, you refer to the King patent of October, 1915, which is in evidence and set up in the defendant’s counterclaim?

A. Yes, sir.”

* * * * *

“XQ. What other distinguishing features would you say King has over Becker other than in the omission of the cover to the cup?

A. The direction or angle of the atomizing cup or edge of the periphery of the blade.

XQ. In what respects, and in which?

A. On the King the atomizing blade is at right angles to the shaft, throwing your oil at right angles to the shaft, a straight, rotary di-

rection; in the Becker patent the oil is led off, you might say, like a bell, a short chime on a bell; the current of air is parallel to the sides of that cup, it only diverging by a slight angle.

XQ. What effect would that have?

A. It will throw a comparatively straight fire, almost a pillar of fire.

XQ. In other words, you believe that the Becker device, as shown in this patent of June 30, 1914, is capable of giving a flame that is of deeper saucer-like character than the King?

A. *By giving sufficient speed on that fan, you can throw a pillar of fire. The stronger the current of air the straighter the fire would be.*" (Italics ours.)

The cut (Exhibit 17) contradicts Mr. DeLaney flatly as to the shape of the Becker flame. Mr. Whaley has shown the fallacy of Mr. DeLaney's reasoning by pointing out that the Becker device in fact does throw a saucer-shaped flame and that any attempt to speed up the small diameter fan of Becker to have any appreciable effect would merely result in a *slip of the fan blades* through the air and nullify the action entirely.



LIMIT OF FAN SPEED REACHED WHEN FAN SLIPS OR CUTS THROUGH THE AIR.

Mr. Whaley refutes Mr. DeLaney's theory that the Becker Vertical Burner cup and small peripheral blades could be driven fast enough to deflect the oil thrown off the cup by centrifugal action (R. 197):

Mr. TOWNSEND. Q. What have you to say about Mr. DeLaney's suggestion yesterday if you ran that fan fast enough you might get an air draft that would do that?

A. There is a limit beyond which you cannot drive a fan, because the efficiency of a fan is immediately lowered as soon as the critical speed is exceeded, which means that the fan, at this high speed, would *merely slip around in the air* and not discharge any large quantity of air. This fan of that diameter could not be driven at high enough speed to atomize a film of oil thrown from a cup of this large diameter, unless the delivery of the air were of such tremendous volume that it would blow out the fire, because that type of fan delivers *a large volume and a small pressure*. The reason the fire is blown out by a large volume of cold air is that the temperature of the combustion chamber or flame is lowered below the point of combustion." (Italics ours.)

Continuing, however, with Mr. DeLaney, the differences between the Fesler, Becker and King, on the one hand, and Ray and the infringing Simplex on the other, is accentuated (R. 133-134):

"XQ. Referring to Fesler, No. 1,113,108, what have you to say in comparison with the distribution of oil and the form of the flame, either compared with the Becker patent or the King patent?

A. It is on parallel lines to the King patent.

XQ. It is more like the King?

A. Yes, sir.

XQ. In other words, it produces a more or less true saucer-like flame?

A. Yes, sir.

XQ. Now, referring to Becker, 1,095,447, of May 5, 1914, what part did you refer to when

you spoke of a centrifugal oil distributor as being on the same shaft with the fan?

A. I should possibly have said 'mechanical distributor'.

XQ. Then that was not an apt term to use in that regard?

A. No.

XQ. As a matter of fact, all the Becker patent does is to create a blast of air by the fan, 8, to pick up such particles of oil as may be splashed up by the splashing gears, 4, 6: Isn't that right?

A. Yes.

XQ. You have no knowledge of any such device as this Becker patent ever having been put into use, have you?

A. No."

DELANEY ADMITS FESLER DIFFERENT IN PRINCIPLE FROM RAY AND INFRINGING SIMPLEX BUT SEEKS TO MAINTAIN SIMILARITY BETWEEN BECKER AND RAY AND SIMPLEX.

(R. 135-136):

"XQ. Do I understand, Mr. DeLaney, that you class the Fesler patents and the plaintiff's patents in suit as being the same principle in mode of operation, the same general type or specific type?

A. Which do you mean?

XQ. The Fess steam pipe patents which are in evidence, and the plaintiff's patents.

A. No.

XQ. You do not put those in the same category?

A. No.

XQ. Neither, I suppose, do you put the Becker patents in the same category with the plaintiff's patents?

A. I would.

XQ. You would?

A. Yes, sir.

XQ. Although they are vertical burners with the tops or covers on the oil-distributing cups?

A. Yes.

XQ. In what way?

A. Because the lines of Becker's cup and the lines of his nozzle controlling his air discharge would permit of the burner carrying a pillar of fire, developing a pillar of fire.

XQ. Your opinion is that so far as certain results may be accomplished in Becker, that those two are alike?

A. Yes.

XQ. I mean Becker and the plaintiff's?

A. Yes.

XQ. Do you consider that they are alike as to construction in the use of a fan of relatively large diameter, high velocity type?

A. You can get your velocity from a smaller fan by giving it the speed."

But note what Whaley says *supra* about "slip-page" when the fan is speeded beyond its effective limits.

"XQ. Do you consider that the Becker patents and the plaintiff's patents are alike in any respect whatsoever, except that you believe Becker can produce a flame approaching a pillar of fire?

A. Yes.

XQ. In what respect do you think they are alike?

A. Because the angle of the cup and the angle of the air discharge nozzle with the fan rotating at sufficient speed to give you the requisite velocity of your air would give you an elongated or pillar of fire."

But Becker does not show or describe any such mode of operation nor is it capable of being so operated except to produce a saucer-shaped flame as seen in the cut of Exhibit 17, supra.

DEFENDANT EVADES THE "BEST REFERENCE TEST".

Defendant can point to no patent in the prior art included in the 30 odd patents relied on by it that is any better or closer as a reference than any other of these several patents.

Thus DeLaney on cross-examination says (R. 116-117):

“XQ. Now, we have had reference made to a number of patents which you have run through for the defendant’s counsel. Which one of the patents of all of the patents you have referred to do you consider the nearest approach to the plaintiff’s patents in suit, or either of them?”

A. Well, *there are many comparable points* in a number of them.

XQ. My question is, I am asking you now, which is your one best reference that you can refer to against either of the Ray patents, or as against each of them?

A. *I cannot see that there is any particular one.*

XQ. Of the 20-odd patents or so you are not able to pick out any one as standing out pre-eminently above the rest as being an approach, a counterpart to the plaintiff’s patents?

A. There are a number of them there that have the same principles involved.

XQ. That is not an answer to my question, Mr. DeLaney, and I am not admitting the mat-

ter of principle and similitude, but can you pick out, if not one, can you pick out a distinct patent by date and number which you will say would be your best art?

A. *No.*” (Italics ours.)

If the expert had consented to narrow the issues as could readily have been done, and should have been done, the work of this Court would have been materially lessened.

See *Waterbury Co. v. Aston*, 183 Fed. 120 (2nd C. C. A.), where Judge Coxe remarked:

“That the patent is not anticipated is conceded by the defendant’s expert. He says:

‘If you wish me to find a single illustration in any single reference which exactly agrees in all particulars with the device of the patent in suit I am free to state that I do not find it and I do not think there can be anything found in my previous testimony to the effect that I have claimed to find it.’ ”

But there the expert did designate his best reference and the Court said:

“*It seems necessary, therefore, to examine only the La Chappelle patent.*”

* * * * *

“Evidently the patentee did not have the Peller *concept*. His was not a rustless buckle and was not designed to be such. A person skilled in the art, familiar with the complainant’s buckle might, by removing the hooked part, reconstruct the La Chappelle device so that it would accomplish in an awkward manner the same result as Peller, but this is not

enough. *A patent cannot be invalidated by a structure which can only be altered into an anticipation by the use of inventive skill.*" (Italics ours.)

The further pertinence of this inquiry of DeLaney was to emphasize novelty in Ray. The fact that the defendant's expert was forced to concede that no one of the twenty-seven or more patents offered in evidence by the defendant to defeat Ray was, in fact, better than any other for comparative purposes: "I cannot see that there is any particular one."

THE QUESTION OF INVENTION AND MECHANICAL EQUIVALENCY IS OFTEN DETERMINED BY CONSIDERING WHETHER THE INFRINGING DEVICE IS MORE LIKE THAT OF THE PATENT IN SUIT THAN THOSE DEVICES CLAIMED TO ANTICIPATE THE PATENT.

The National Hollow B. B. Co. v. Interchange B. B. Co., 106 Fed. 699;

Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 118 Fed. 136, C. C. A.

In the present instance the evidence is all to the effect that the only horizontal rotary oil burners embodying the patented combinations are those of the plaintiffs and defendant.

In Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 118 Fed. 136, it is said at page 141:

"This question of mechanical equivalents is often well determined by considering whether the infringement is nearer to the patent in suit

in its construction and means than those devices which are claimed to anticipate the patent. When this test is applied, it is perfectly plain that the new structure of the defendants more closely imitates the means used by Hoyt to accomplish the desired purpose, than anything found in the art prior to the patent to Hoyt. There is nothing in the prior art that comes anywhere near so close to an imitation of the complainant's combination. Indeed, it is very plain that defendants' new structure would never have existed, if Hoyt had not taught how to make it. It not only operates the principle in the same way that Hoyt did, but it uses plain mechanical equivalents for every essential element of Hoyt's combination. (Italics ours.)

Again we are reminded that:

“Where, upon suit for infringement, alleged anticipating constructions are set up by the defendant, the fact that he *appropriated the complainant's production as the foundation of his own business and had been very successful, is persuasive evidence* of the advantages of the complainant's structure over the alleged anticipatory constructions.” (A. R. Milner Seating Co. v. Yesbera, 133 Fed. 916, (6th Cir.). (Italics ours.)

THEORETICAL MODIFICATIONS OF THE PRIOR ART ARE NOT PERMISSIBLE UNDER THE LAW TO MAKE OUT ANTICIPATION.

As your Honors said in the case of Los Alamitos Sugar Co. v. Carroll, 173 Fed. 280:

“It is not sufficient to constitute anticipation that the devices relied upon might by a process

of modification, reorganization, or combination with each other, be made to accomplish the function performed by the device of the patent sued on.”

In speaking of this rule of law, the Court, in the case of *Western Electric Co. v. Howe Tel. Co.*, 85 Fed. 656, said:

“The force of this ruling and the similar ruling in *Clough v. Barker*, 106 U. S. 175, is made manifest in its practical application to the rights of parties, by the reflection that all earlier patents set up in defense against a later patent sued upon are but the record of evidence of the status the art has reached. The rights under such later patent are subject to what this record evidence actually shows. *To change this record by permitting theoretical modifications of these earlier patents, would be the same in principle, as to change, by interpolation or modification any other evidence between the parties.*” (Italics ours.)

“A patent cannot, as an anticipation of a later patent, have implied into it from necessity more than it fairly shows to make it represent an operative structure. What is required and not so shown is left for later inventors.”

Wirt v. Farley, 84 Fed. 891.

PRESUMPTION OF VALIDITY STRENGTHENED BY CITATION OF LARGE NUMBER OF PATENTS BY DEFENSE.

“The citation of a large number of patents as anticipation, tends to strengthen rather than weaken the patent sued upon, by showing that the trade had long and persistently been seek-

ing in vain what the complainants finally accomplished.” (Forsyth v. Garlock, 142 Fed. 461, 463.)

“Forty-odd reference patents were not needed to prove that Dean was not a pioneer in the telephonic art, that he did not originate the granular-carbon type of transmitter, and that he was not the first to provide a means for preventing the packing of the granules. * * * The novelty of none of the claims is gainsaid by *any single prior patent or structure*; but *collectively* the references establish that all of the elements broadly considered, which Dean used in making up his combination, *were old and were commonly used* in transmitter construction. * * * but the concept of such a unitary structure was not *obviously* taught nor foreshadowed by anything in the prior art.” (International Tel. Co. v. Kellogg Switchboard Co., 171 Fed. 651, 653-654, (C. C. A.). (Italics ours.)

Gandy v. Main Belting Co., 143 U. S. 556;

DuBois v. Kirk, 158 U. S. 58;

Hancock v. Boyd, 170 Fed. 600;

Novelty Glass Co. v. Brookfield, 170 Fed. 946.

DEFENSES OF ALLEGED PRIOR USES AND PRIOR INVENTION.

Under this defense some indifferent testimony was offered by defendant to show:

Prior use by one G. E. Witt Co.

Prior invention by one J. H. King, patentee of the King 1915 patent.

THE WITT SO-CALLED PRIOR USE.

Defendant called as a witness a Mr. Leland (R. 164) to show that a concern known as the G. E. Witt Company (now defunct) had put out a Rotary Burner and installed one in the Stanford Court Apartments "about October, 1914". No records of any sort were offered to fix this date nor does this witness describe the burner, nor does he know anything of its subsequent history (R. 166).

Defendant offered a bulletin of the Witt Company (Exhibit HH (R. 165)) and a fragment of a device (Exhibit II-R. 166) to support this alleged defense of prior invention or prior use. Objection was made to receipt in evidence of the Witt publication (R. 165):

"MR. TOWNSEND. We object to the publication as not sufficiently proved.

The COURT. I am rather inclined to think so."

As to the lack of weight to be given to the testimony of this witness in a defense of this sort we have only to quote his brief cross-examination in full (R. 166-167):

"MR. TOWNSEND. XQ. This piece of metal just shown you, Mr. Leland, and in evidence as Exhibit 'II', do I understand you to say that is the same head that was in the apartment at that time?

A. No, I could not say that.

XQ. You don't know where this particular device came from?

A. No.

XQ. Do you know what happened to that burner that was put in that place?

Mr. WHITE. Objected to as not proper cross-examination.

A. No, I do not.

The COURT. It is cross-examination. It may be preliminary. He may proceed briefly.

A. No, I do not.

Mr. TOWNSEND. XQ. Did you see it subsequently at any time to the date of October, 1914?

A. I could not say as to that date, but not recently, in any event.

Mr. TOWNSEND. That is all.

The COURT. I understand you are a consulting engineer; of what profession or vocation?

A. Consulting mechanical engineer."

THE WITT DEVICE A FAILURE—ALSO SUBSEQUENT TO RAY'S INVENTION.

Although the Witt device fails completely as an anticipation even if proven and shown to be earlier than Ray, which it is not, plaintiff in rebuttal called a Mr. Barley, a former associate of Witt to show the history of the Witt burner. His testimony is not only uncontradicted but is entitled to full credit.

Barley was shop foreman in the Witt shops from 1909 to 1917 or 1918 (R. 171). Concerning the burner testified to by Leland Barley, he says (R. 171):

"A. Well, I know that it was a failure. We built some, and they were installed and were taken out, not working properly. In fact, I do not believe there was one job that I can remember of that they received payment for.

Q. How soon was that failure discovered?

A. Immediately after they were put in and the fire was started we had trouble with the shaft warping, and the fire burning out against the front, and holes in the back of the casing filling up with carbon, and running over the back of the atomizer, and out the furnace front."

WITT FLAME A SAUCER-LIKE FLAME.

As to its objection Barley says (R. 172):

"Well, it threw a saucer-shaped flame practically straight out from the end of the burner. That was our trouble, trying to get it burn ahead; instead of that it would throw out on the side walls."

On cross-examination of Mr. Barley he says (R. 173):

"XQ. Do you know anything about the Matsonia burner of this type which was installed in 1914 by Mr. Sly and referred to by him in this letter of September 18, 1914?"

A. The only recollection I have of the Matsonia, is the burner was thrown out."

* * * * *

"XQ. How do you know they were thrown out?"

A. Because they came back to the shop."

* * * * *

"XQ. How many years after the installation?"

A. I don't think it was years, I think it was months.

XQ. After the operation of these burners for some months, was not the only change made in the burner head increasing the sizing of

these perforations so as to facilitate the passage of the oil from the rearwardly projecting flange into the front of the burner?

A. I will tell you, the changes were so fast and furious I could not keep track of them."

This taken with Mr. Ray's account of the development of his invention early in 1914 completely disposes of the Witt defense.

THE KING 1911 EXPERIMENTAL DEVICE AND DRAWING.

The evidence shows conclusively three things each favorable to plaintiff, and this is shown by defendant's own witnesses King and Becker, even according them fullest credibility, which they are not entitled to, particularly King.

(1) The 1911 contraption was merely an abandoned experiment.

(2) At best it does not disclose the Ray concept nor patented combination, because among other things it is for a *propulsion* type of fan and has no diaphragm and entirely fails to show the features of the second Ray patent.

(3) Its use here is a desperate attempt to anticipate the Ray patents on the ground of *prior invention*, but its only effect is to emphasize the fact that there is something of real merit and patentable discovery in the Ray device.

KING AS AN ABANDONED EXPERIMENT.

Mr. King's account of his 1911 operations is best told in his own language; keeping in mind his apparent bias and effort to make the Court think that the success or practice of his experiments were very much more extensive and favorable than they really were.

King's story in brief is as follows, beginning (R. 140):

“In the early part of 1911 I bought from Mr. Julius Becker a half interest in what was then known as the water method oil-burning patent.”*

* * * * * * *

“The American Heat & Power Company was formed and the patents turned over to them, and from that time on until some time in 1915 I was connected with the oil burner business.”

* * * * * * *

“Q. State whether or not prior to March 20, 1914, the American Heat & Power Company was manufacturing and selling here in California the burner disclosed in this Bulletin No. 1, which has been marked Defendant's Exhibit ‘DD.’

A. To the best of my knowledge they were.”

*Previously herein as Plate V appears a reproduction of the cut on page 99 of Exhibit “GG”, which shows the so-called “water method” oil burner referred to by the witness. Obviously this burner was simply an oil feed pipe with a gooseneck from which dropped oil, together with some water, upon a splash plate arranged in the fire box.

This was in fact the basis of defendant's predecessor's business until a year or two later when the American Heat & Power Company came out with the Becker vertical rotary head burner, illustrated in the Becker patents (Plate VII, supra) and in imitation of the then well-known vertical rotary head burners of the Fess System.

King later took out a patent (see Plate XV, post), in which he merely omitted the protective cover 15 of Becker (see Plate VII, supra) and slightly accentuated the flare of the cup so as to *retard* the oil flow.

Continuing King says (R. 140-141):

“In 1911 Mr. Becker and myself made and operated a straight-shot rotary oil burner, having a motor, a fan, a pump, and an atomizing cup, and a means for getting the oil into the cup and returning the surplus to the tank.

Q. What use was made of that device?

A. We were making a test of the principles involved.

Q. What became of that device?

A. The model was made, tested, and the principle involved, or, rather, the principles involved, proven to our satisfaction. We certified to this experiment or test before a notary, put the model away, and continued with the work in which we were engaged, intending at a later date, when our business would permit, to put them into production.”

But says Walker (Section 91):

“A delay of years, between reduction to practice and filing an application for a patent, which is taken for the purpose of profiting, first from secrecy, and finally from a patented monopoly, is a delay which constitutes actual abandonment, even if the inventor intended to apply for a patent, when he could maintain secrecy no longer.”

Witness then identifies the drawing Defendant's Exhibit “EE”, saying (R. 141):

“A. I made the drawing, I signed the drawing in the presence of three witnesses on the 3rd day of August, 1911, and signed the affidavit attached.

Q. In connection with the device which you have just described as having been made by you, what does this drawing illustrate?

A. It illustrates a motor, and a pump, and a fan, and the atomizer—

The COURT. Q. Did I understand you to say you patented this?

A. We did not get a patent out at that time.”

As a matter of fact they never patented it.

Witness' description of the drawing is as follows (R. 142-143):

“The atomizing cup was made in the form of a deep cup, the oil admitted at the rearward end; the shape and pitch of the side walls being designed in such a manner as to retard the flow of the oil from the point of intake to the point of discharge a sufficient time so that the absorption of reflected heat would reduce the viscosity of the oil and cause the point of ignition to take place immediately upon the discharge from the periphery.”

EXPERIMENTAL DEVICE TESTED AND PUT AWAY AND FORGOTTEN UNTIL THE EMERGENCY OF THIS SUIT AROSE.

King says (R. 143):

“Q. Where was this device kept after these tests made by you in 1911?

A. It was put with our models at that time and subsequently in the vault.”

In *Coffin v. Ogden*, 18 Wall. 120, 21 L. Ed. 821, the Supreme Court said:

“If the thing was embryotic or inchoate; if it rested in speculation or experiment; if the process pursued for its development had failed

to reach the point of consummation, it cannot avail to defeat a patent founded upon discovery or invention which was completed, while in the other case there was only progress, however near that progress may have approximated to the end in view. The law required not conjecture but certainty. Until his work is done, the inventor has given nothing to the public.”

Model offered as Defendant’s Exhibit “FF” (R. 144):

“The COURT. Q. Is all of it here?

A. All of it except the motor and the fan. A conventional motor and a conventional fan were used.”

(Manifestly neither Ray nor defendant in its infringing devices uses anything like “a conventional fan”. That admission alone of the witness is sufficient to destroy the 1911 King idea, whatever it was in actuality as a reference.)

DRAWINGS AND MODELS, PARTICULARLY FOR ANTICIPATION PURPOSES, NOT EVIDENCE OF INVENTION SO AS TO DEFEAT THE REGULARLY ISSUED PATENTS OF PLAINTIFFS.

Walker on Patents says (Section 61):

“Private drawings may be mislaid or hidden, so as to preclude all probability of the public ever deriving any benefit therefrom; and even if they are seen by several or by many, they are apt to be understood by few or by none. Models also are liable to be secluded from view and to suffer change, and thus to fail of propagation.

Moreover, if a patent could be defeated by producing a model or a drawing to correspond therewith, and by testifying that it was made at some sufficiently remote point of time in the past, a strong temptation would be offered to perjury. Several considerations of public policy and of private right combine, therefore, to justify the rule of this section."

In *Odell v. Stout*, 22 Fed. 159, 165:

"It is settled that 'an invention relating to machinery may be exhibited either in a drawing or in a model, so as to lay the foundation of a claim to priority, if it be sufficiently plain to enable those skilled in the art to understand it.' *Loom Co. v. Higgins*, 105 U. S. 594. But this rule is to be taken with proper qualifications. Drawings may carry date of invention back *if reasonable diligence is shown*. *Kneeland v. Sheriff*, 18 O. G. 242. Making drawings of an idea is not invention, and is of no effect unless followed up. *Draper v. Potemaka Mills*, 13 O. G. 276. Merely making drawings is not such an embodiment of invention as will defeat a subsequent patent. *Ellithorp v. Robertson*, 4 Blatchf. 307. The reasons for this qualification of the rule are well stated in section 61, Walker on Patents.

"Between the date of the last drawing made by Odell and his application for a patent there was an *interval of a year*. In the meantime the Daverio American patent, the Poole, the Poole & Miller, and the Gray patents were issued. All these are in evidence for the defendants. *The drawings made by Odell cannot be recognized as giving priority* to his invention as against those patents, whatever might be their effect upon the decision of the question of want of novelty if

those patents had not been issued. So far as the complainants are concerned, the defendants are not precluded by Odell's drawings from using any mechanism covered by any of the patents issued between the dates of the drawings and the date of Odell's application for his original patent." (*Italics ours.*)

In *Pennsylvania Diamond-Drill Co. v. Simpson*, 29 Fed. 288, another case cited by Walker, the Court said (290-291):

"After completing their invention, Ball and Case were prompt to apply for letters patent, and by the Sullivan Machine Company, their assignee, were *commendably diligent in furnishing the public with machines* equipped with the device. As against the Ball and Case patents, then, will the law adjudge priority of invention to Allison? The answer is not doubtful under the authorities. *In a race of diligence between two independent inventors, he who has first perfected and adapted the invention to actual use is entitled to the patents.* *Agawam Co. v. Jordan*, 7 Wall. 583; *Whitely v. Swayne*, Id. 685. Here, Allison, it would seem, was the first to conceive the invention; but mere conception, which is not seasonably followed by some practical step, counts for nothing as against a subsequent independent inventor, who, having complied with the patent laws, has obtained the patent. *It would indeed be a strange perversion of the purpose of the patent laws if one who had conceived of a new device, and proceeded so far as to embody it in rough sketches, or even in finished drawings, could there stop, and yet hold that field of invention against all comers for a period of 12 years. The law does not so reward supineness.* Hence, in *Reeves v. Keystone Bridge Co.*, 5 Fish. 456, 463, Judge McKennan

declared the established rule to be ‘that *illustrative drawings of conceived ideas do not constitute an invention*, and that, unless they are followed up by a *seasonable observance* of the requirements of the patent laws, they can have no effect upon a subsequently granted patent to another.’ And this principle was enforced by Mr. Justice Matthews in the more recent case of Detroit Lubricator Manuf’g Co. v. Renchard, 9 Fed. Rep. 293, although the antedating drawing there exhibited a perfect machine in all its parts.” (Italics ours.)

Automatic v. Pneumatic, 166 Fed. 298.

“In Agawam Company v. Jordan, 7 Wall. 583, 602, 19 L. Ed. 177, the Supreme Court said:

“‘The settled rule of law is that whoever first perfects a machine is entitled to the patent and is the real inventor although others may have previously had the idea and made some experiments towards putting it in practice. He is the inventor and is entitled to the patent *who first brought the machine to perfection and made it capable of useful operation.*” (Italics ours.)

**THE KING 1911 CONCEPT DIFFERENT IN PRINCIPLE
FROM RAY.**

Mr. Whaley says (R. 199-200) referring to model Exhibit “FF”:

“A. I can say this in regard to this device, as an oil burning device, that it must rely upon the action of the cup for the atomization of the oil, for the reason that a fan of the type shown and of the diameter that would go in here, compared to the diameter of the atomizing cup—”

* * * * *

“The diameter of the fan that would go in the casing shown in model Plaintiff’s Exhibit ‘FF’ is so small that it would be impossible for it to deliver enough air at sufficient pressure to atomize oil thrown from the periphery of an atomizing cup of the large diameter shown in plaintiff’s Exhibit ‘FF’. This type of fan shown on the sketch marked Exhibit ‘EE’ is of a *propulsion type*, which will deliver a large volume of air at very low pressure, and could not at any velocity supply sufficient air to atomize the oil thrown from a cup of the size in the model ‘FF’. The atomization of the oil in this model would, for that reason, have to rely entirely upon the centrifugal force of the rotation of the cup, and, therefore, it is not comparable with either of the devices of the plaintiff or defendant here in question.”

* * * * *

“This *device has no diaphragm or fan casing* along the same line as the defendant’s device or the plaintiff’s device, and *should they put a diaphragm with this type of fan it would utterly defeat the object of the fan*, because this is not a centrifugal blower fan, it is a propulsion fan that throws a blast of air *in line with the axis of rotation*. The centrifugal blower such as used here in the device in question throws a blast of air in a *direction normal to the axis of rotation*. If you put a diaphragm in front of that propulsion fan it would utterly defeat the object of that fan.

Q. I understand that drawing EE shows no diaphragm?

A. No, there is no diaphragm shown here.

The COURT. What do you refer to by the diaphragm, what some have spoken of as a baffle?

A. As a baffle, yes.

The COURT. I understand now.

A. This baffle here, No. 3. If you put a baffle of that kind in front of a fan of this type it would utterly defeat the object of the fan, because the direction of the air would be directed against the face of the diaphragm.

THE 1911 DEVICE NEVER PATENTED.

King testifies on cross-examination (R. 147):

“Mr. TOWNSEND. Q. Did you ever apply for a patent on this structure as disclosed in this drawing?”

A. I don't remember—I did not.”

* * * * *

XQ. Did you authorize anyone to apply for a patent?

A. I did not.”

* * * * *

XQ. The only patent you have, Mr. King, is the patent of October, 1915, which is set up by the defendant in its counterclaim: Is that not true?

A. The only patent which was taken out in my name was the patent on the device with the open cup—according to the best of my recollection.”

This is the King patent of the counterclaim No. 1,158,058, of October 26th, 1915, filed March 23rd, 1914 (R. 148).

**KING'S COMPANY ACTIVE DURING THE INTERIM WITH
BURNERS OF ANOTHER TYPE.**

On cross-examination (R. 148-149) Mr. King says:

“XQ. Now, during the interim, between March, 1914, and August, 1911, your company was actively engaged in the oil burner business, was it not?”

A. It was.

XQ. You were making and selling oil burners?

A. The company was.

XQ. Yes, the company was. And they were burners first of the type you described as the water type?

A. The water method.

XQ. Such construction being illustrated in this enlargement from one of the company's catalogs: Is that correct?

A. That was the first burner.

Mr. TOWNSEND. I offer this in evidence and ask that it be marked Plaintiff's Exhibit 19.

XQ. Thereafter, you manufactured a burner of the vertical rotary type, first with a head on it such as is shown in the Becker patent which is in evidence, 1,101,779, of June 30, 1914: Is that right?

A. The company did.

XQ. And then subsequently you manufactured the burner of the type illustrated in the King patent before mentioned?

A. I did.

XQ. And these illustrations from your company's catalog, Exhibits 16 and 17, illustrate such characters of burners then put out?

A. They were being manufactured then and sold.”

* * * * *

“XQ. As late as 1915 you were actively promoting, or rather, your company was, the sale and distribution of such vertical rotary burners of the King and Becker type?

A. The company was.

XQ. And, as a matter of fact, it was not until near the close of the Exposition, about October, 1915, that you came out with a rotary burner of the modern type and the Simplex type—the Simplex corresponding to Plaintiff's Exhibit 1?

A. I could not tell you the exact date, but I do know that a burner of this type was arranged to be produced in chronological order, and when the time came it was produced."

(R. 150-151-152):

"Q. So that in the meantime, between the appearance of this horizontal burner on the market in the fall of 1915, or at some other time which you do not remember, and August, 1911, when you say you first conceived that idea, you did practically nothing toward putting it into practice, did you?

A. What do you mean by putting it into practice—manufacturing it and selling it?

Q. Yes.

A. We did not.

Q. All you did was to make this drawing which is here in evidence and to make the model, a fragment of which is here in evidence, offered on your direct examination."

* * * * *

"The COURT. You are limiting your question to what?

MR. TOWNSEND. That all that he did in putting the horizontal rotary burner into practice between August, 1911, and the fall of 1915, or at such other time, was the making of that drawing and the making of this model, a fragment of which is in evidence.

The COURT. All right, limit your answer to that, witness.

A. We did not manufacture it and sell it during that period."

* * * * *

“Q. When did you last see this model before it was offered in evidence here today?

A. Probably five years ago.

Q. Was it in the safe then?

A. It was in the safe.

Q. And where was the drawing?

A. In my safe.

Q. And how long did it remain in your safe?

A. Until I delivered to Mr. Scott of the American Heat & Power Company.

Q. How recently?

A. I cannot answer that now, but I have Mr. Scott's receipt for it and I can give you the exact date.

The COURT. Q. Give it approximately; was it a year or two ago?

A. Probably two years ago.”

REASONABLE DILIGENCE.

That King was lacking in reasonable diligence is clearly evident.

Christie v. Seybold, 55 Fed. Reporter 69, at 77:

“The question of reasonable diligence in any case depends, of course, upon all the circumstances. A complicated invention, requiring many experiments and much study to give it practical form, would reasonably delay a reduction to practice after the first conception for a greater length of time than where the idea and the machine embodying it were of a simple character. Then, too, the sickness of the inventor, *his poverty*, and his engagement in other inventions of a similar kind are all cir-

circumstances which may affect the question of reasonable diligence.”

None of these excuses are even suggested here.

JULIUS H. BECKER REFUTES KING.

From Mr. Becker, Mr. King's former associate, we get a better idea of the true experimental character of the 1911 device.

He says (R. 153):

“We first had the water method oil burner, and next we *experimented* with and tested the horizontal burner.” (Italics ours.)

He identifies the drawing and model “FF”. On cross-examination (R. 157) and following he discloses how crude these 1911 experiments were. The company's inaction in the matter of adopting this device speaks more eloquently than words to the unsatisfactory results of these tests or experiments.

Becker says concerning the model after it was dismantled in 1911 (R. 157):

“It was stored on top of the office which we used as a place to keep our models.”

“ * * * A conception of the mind is not an invention until represented in some physical form, and unsuccessful experiments or projects, *abandoned by the inventor, are equally destitute of that character.*”

(Justice Bradley in *Clark Thread Co. v. Willimantic Linen Co.*, 140 U. S. 481, 493; 35 L. Ed. at 525.)

And (R. 161-162):

“A. I left in the early part of 1914 and never had any more connection with the business, with the oil pumping business.

Q. But up to the early part of 1914, when you left, they had never sold any of these devices?

A. No.

Q. Where was this so-called test that you speak of conducted, the test of the model in its original form?

A. We had a yard about 50 by 150, right next to the building, and it was conducted outside in this yard. *As a furnace, I used 110 gallon oil tank, or barrel, rather.* It was fire-brick lined; one end was closed by fire-brick.

Q. In other words, you simply made a little furnace construction out there in the yard?

A. Yes.

Q. You did not put this under a boiler for working purposes, did you?

A. No, not a boiler. The furnace was built for the purpose of testing the burner.

Q. And no actual work was performed by any power generated therefrom?

A. *No, no work.*

Q. Do you know what quantity of oil you used in connection with that device?

A. I knew then; I don't know now.

Q. You don't know what size motor you employed, do you?

A. If I recollect correctly, it was a one-half horse-power motor.

Q. Did you make any tests of air velocities or economies that might be effected?

A. Do you mean efficiency tests?

Q. Yes.

A. *No, sir, we did not.*

Q. That furnace was shortly afterwards dismantled, too, was it, when you were through with your so-called tests?

A. The furnace was eventually dismantled; I could not tell you the time, though, I could not tell how long it remained after we were through with the tests." (Italics ours.)

From page 28 of the Annotated Statutes, Vol. 7:

"*Dismantling experimental machine as negating reduction to practice.* The dismantling of an experimental machine by a large and prosperous company has more weight, as showing the lack of success of the trial, than it would have if done by a poor inventor whose necessities compel him to utilize the parts for other purposes. *Robinson v. Thresher*, 28 App. Cas. (D. C.) 22."

This, taken with the showing that the Ray invention, its conception and reduction to practice prior to the filing of the King patent, removes the latter both as a defense and as a weapon of offense.

For a very complete discussion of the whole subject of "invention and priority" between two inventors, see the opinion of Judge Colt in *Automatic v. Pneumatic*, 166 Fed. 289.

See also

Corrington v. Westinghouse, 178 Fed. 711, 715; C. C. A. 2nd Circuit.

"The law appears to be well established that a conception evidenced by disclosure, drawings, and even a model, confers no rights upon an inventor unless followed by some other act, such as *actual reduction to practice, or filing*

an application for a patent. A conception of this character is not a complete invention under the patent laws. It may constitute an invention in a popular sense, but it does not make the inventor the 'original and first inventor' under the statutes.

“If it did constitute an invention under the statutes, then an inventor might stop with *his drawings and disclosure, and hold the field for all time against a subsequent inventor who has reduced his invention to practice, or who has obtained a patent. The law will not permit this.*” (Italics ours.)

Automatic v. Pneumatic, 166 Fed. 288, 298.

As to King and his associates, it may be asked: If the infringer claims to have known of the combination and to have perfected it, why did he not put it into use or apply for a patent.

As said in Loom Company v. Higgins, 105 U. S. 580; 26 L. Ed. 1177, 1183:

“If Davis was the inventor of the wire motion applied to these looms, *why did he never apply for a patent for it?* He was already a patentee of a different and inferior apparatus. He knew all about the method of going about to get a patent. He belonged to a profession which is generally alive to the advantages of a patent right. On the hypothesis of his being the real inventor his conduct is inexplicable.” (Italics ours.)

The Supreme Court in American Wood Paper Co. v. Fiber Disintegrating Co. (known as the Wood Paper patent), 23 Wall 566; 23 L. Ed. 31, said:

“The patent of an originator of a complete and successful invention cannot be avoided by

proof of any number of incomplete and imperfect experiments made by others at an earlier date. This is true, though the experimenters may have had the idea of the invention, and may have made partially successful efforts to embody it in a practical form.”

See also:

Gaylor v. Wilder, 10 How. 477; 13 Law. Ed. 504;

Barbed Wire Patent, 143 U. S. 275; 36 L. Ed. 154;

Coffin v. Ogden, 85 U. S. 120;

Cantrell v. Wallack, 117 U. S. 689;

Bell v. People's Telephone Co., 22 Fed. 309;
(The Telephone Cases);

Deering v. Winona, 155 U. S. 286; 39 L. Ed. 153;

Brown v. Guild (The Corn Planter Patent),
23 Wall. 181; 23 L. Ed. 161.

In *Lincoln Iron Works v. McWhirter Co.*, 142 Fed. 967 (C. C. A.), the Court said:

“It is not enough to defeat the patent that some one other than Gilmour had conceived the invention before he did, or had even perfected it, *so long as it had not been in public use or described in some patent or publication.* If Gilmour was an original inventor, though a subsequent one, it was his right to obtain a patent unless he ‘surreptitiously and unjustly obtained the patent for that which was invented by another who was using reasonable diligence in adapting and perfecting the same.’” (Italics ours.)

**RAY THE FIRST INVENTOR AS AGAINST THE KING
PATENT.**

The King patent is not prior art because:

(1) It was not issued until nearly a year subsequent to the filing of the Ray patent and King did not file until after conception and reduction to practice by Ray:

Ray's conception 1913.

Ray's reduction to practice March 10, 1914.

Ray's filing date November 30, 1914.

King filed March 23, 1914, and issued October 26, 1915.

Defendant has offered no evidence carrying the King invention back of his filing date. He must, therefore, be restricted to that date.

On the record and as far as the proofs show Ray is the prior inventor.

This should dispose of the King patent both as to the claim of anticipation and to the charge of infringement embraced in the counter-claim.

However, the King patent is for such a different type of apparatus from the plaintiff's patent and from the defendant's infringing machine that we shall proceed to consider it on its merits or demerits.

DEFENDANT'S COUNTER-CLAIM.

Defendant in its Counter-Claim sought to set up a backfire suit on the King Patent No. 1,158,058,

dated October 26, 1915 (see Plate XV post), claiming infringement of claims 1, 2 and 3 thereof on the argument the charge of infringement was limited to claims 1 and 2 (R. 206). Issue was joined with plaintiffs on the Counter-Claim.

Plaintiffs' defenses to the Counter-Claim are:

(1) Non-infringement by reason of the fact that the defendant's devices charged to be infringed are fundamentally and absolutely different in principle, construction and mode of operation from the device shown and described in the said King Patent No. 1,158,058 of the defendant. The King burner is a vertical burner to go inside the fire-box; the Ray burner is a horizontal burner disposed outside of and with only a small part projecting through the furnace front; the two burners King and Ray representing two distinct recognized classes.

To quote one witness (Whaley R. 198):

"I might say * * * that these differences in the method of burning oil are recognized by everyone in the oil burning business, and they do not consider them comparable in any way. The vertical type of oil burner works on an entirely different principle from the horizontal type of burner."

It, furthermore, is shown that defendant immediately abandoned the King style of burner on the advent of Ray and copied Ray.

(2) Laches on the part of the defendant in that the plaintiffs' doings had been known to defendant

and its predecessors continuously from a time considerably prior to the issuance of the King patent in 1915; that on December 20th, 1915, defendant's predecessors, without just or any cause, filed suit in this Court against defendant on the said King patent but never made any effort to press said suit to trial or to determine the issues involved, but that the said suit was voluntarily dismissed against this defendant on the 26th day of May, 1919. (See defendant's Exhibit "KK"—R. 170.) That this suit was only revived as a trumped up Counter-Claim (or as the Trial Judge termed it "a counter-irritant"—R. 210) to the present suit; and after the plaintiffs, who have always maintained their innocence and had expanded their business and invested large sums of money in the development of their oil burner business, until at the time answer to the Counter-Claim was filed plaintiffs' outlay, with respect to the burner business here claimed to infringe represented an investment in excess of three hundred thousand dollars (\$300,000) (R. 182).

(3) Prior invention by Ray—see supra.

**JOSEPH H. KING, CENTRIFUGAL BURNERS, NO. 1,158,058,
DATED OCTOBER 26, 1915, (APPLICATION FILED MARCH
23, 1914). (PLATE XV OPPOSITE.)**

The first thing to note is that this patent of the defendant was copending with the first Ray patent No. 1,193,819 for a period of nearly one year. They

PLATE XV

J. H. KING.

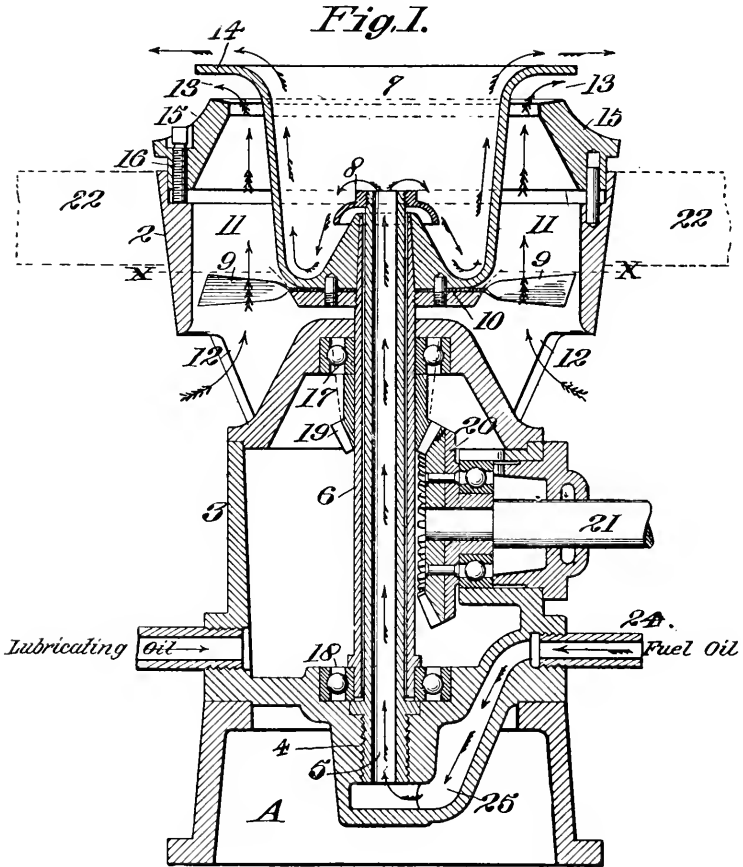
CENTRIFUGAL BURNER.

APPLICATION FILED MAR. 23, 1914.

1,158,058.

Patented Oct. 26, 1915.

2 SHEETS—SHEET 1.



WITNESSES:

Charles P. Kelly
Thos. Eastberg

INVENTOR

Joseph H. King.

BY *S. H. Strong*

ATTORNEY

were in the same division in the Patent Office, to-wit, Division 30, Room 152, and before the same Examiner, M. R. Sullivan, and both applications were prosecuted by the same attorney. This was not only proper but was thoroughly understood by both applicants and by the Patent Office. Had it been otherwise than proper the Patent Office would have first stated there was interfering subject-matter in the two cases and the attorney would have been called upon to relinquish one of the cases.

The rules of the Patent Office on this subject provide:

Rule 93 is:

“An interference is a proceeding instituted for the purpose of determining the question of priority of invention between two or more parties claiming substantially the same patentable invention.” * * *

Rule 94 is:

“Interferences will be declared between applications by different parties for patent or for reissue when such applications *contain claims for substantially the same invention which are allowable in the application of each party.*” * * *
(Italics ours.)

(Rules of Practice of the United States Patent Office.)

As a matter of fact the two inventions were of such radically different characters and operating on different mechanical and scientific principles that it would not have been possible to have found com-

mon interfering patentable matter, all this in addition to the fact that both of these machines were gleaned in an art already well developed, particularly that branch of the art of which the King patent was an exponent.

The vertical type of burner represented by King had, as previously pointed out, already reached a high state of development by Becker, King's predecessor, and particularly Fessler, another San Francisco inventor, the founder of the Fess System of Rotary Vertical Burners.

Mr. Whaley says (R. 198-9):

“A. The J. H. King patent is a vertical type of oil burner relying for the atomization of the oil entirely upon the rotation of the atomizing cup; the lip 14 on the top of the atomizing cup diverts the stream of air away from getting across the film, and directs it in a direction the same as the discharge of the oil from the cup, and will make a saucer-like flame, and could not be used in a horizontal position and a fire made with this King device such as is made by the two burners here in question. The fan on the King burner is a propulsion type of fan, which delivers a large volume of air at low pressure, which is used for combustion only, and assists in no way in the atomizing of oil. It applies, in the first place, to the vertical type of oil burner, which is entirely different in principle.”

It is to be noted that the earlier patentees of the impractical devices, such as Eddy, Mack, Klein and others, some twenty years earlier, had failed to make any impress on the industrial world although

the commercial needs were awaiting a practical rotary, horizontal burner and people were not slow to adopt the Ray type the moment it appeared. Inasmuch as commercial success is frequently a criterion of invention, so must comparative commercial success be a measure of difference or of similarity between two devices, one of which it is claimed is an infringement of the other.

Inasmuch as the King device does not appear to have met with any such complete or overwhelming success as to induce the defendant to adopt that type of burner as standard practice rather than Ray, it may be concluded that the King burner has at best been only moderately successful in a limited field of operation and that when the defendant actively sought to compete in the oil burner field it was forced to adopt the horizontal Ray type. Thus, measured by the gauge of comparative utility under equal conditions for successful operation, it is quite apparent that the horizontal, rotary burner of either the Ray or the infringing Simplex type is in a class by itself, different and distinct from the vertical, rotary burner of the King, Becker and Fesler type.

This distinction is nowhere better recognized and accepted than by the defendant itself in the article of Mr. Delaney in the recent publication "Oil Fuel." In that article, as we have seen, Mr. Delaney traces the historical development of oil burners from the straight-shot through the vertical,

rotary to the horizontal rotary, first of the fan type and later of the turbine type not here in issue.

THE KING FILE WRAPPER.

The citations against King, as shown by the file wrapper, are as follows:

Page 266 of the U. S. Naval Liquid Fuel Board Report published at the Government Printing Office, Washington, D. C., in 1904. (See Plate XVI opposite.)

Fesler, 1,064,467, June 10, 1913.

Both of these citations are of the vertical, rotary type of burner and illustrate the line of distinction between such class of burners and the horizontal type to which Ray and the later Simplex burners charged to infringe belong.

Another thing not to be overlooked in a consideration of King, in comparison with Ray and the later Simplex burners, is the emphasis laid throughout the specification of King and the File Wrapper on the peculiar *shape* of the upright atomizing cup. This cup, which is marked 7 in the drawing, has a *wide, horizontally flared lip (14)* corresponding in that portion really to a flat, horizontal disk, over which the oil spreads in a thin film solely by centrifugal action. This *spreading and thinning* of the oil in this manner is repeatedly emphasized by the patentee.

PLATE XVI

2006

NAVAL "LIQUID FUEL" REPORT.

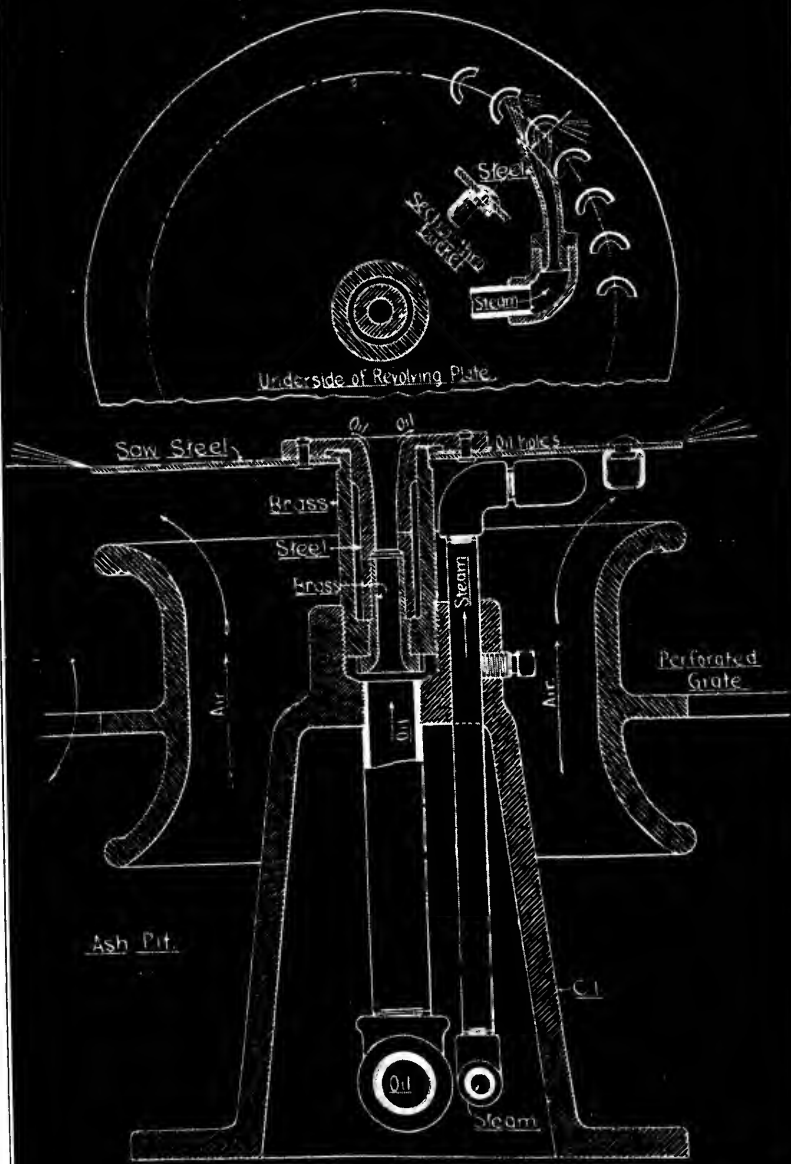


FIG. 28.—Proposed Williams centrifugal burner, solid pivot.

Referring to the operation the patentee says (page 2, beginning line 20):

“The moment the desired speed is obtained it is next necessary to turn on the fuel oil which is admitted through pipe 24 and a duct 25 which connects with the lower end of the hollow standard. *The oil rising through the hollow standard is then admitted to the centrifugal atomizer, being first distributed by the stationary cap, indicated at (8).* The oil is here evenly distributed and permitted to flow into the *bottom of the atomizer* which when revolving at a *high speed causes the oil to pass rapidly up the wall of the cup or atomizer in the form of a thin film.*” (Italics ours.)

Continuing (page 2, beginning line 42):

“The constant flowing film of oil passing upwardly over the wall of the cup or atomizer acts as an insulation for the cup and prevents this from becoming overheated.”

The upward action of the air current is thus referred to (page 2, beginning line 48):

“The *upwardly flowing current of air* discharging through the annular discharge opening 13, passing over the exterior surface of the cup protects the cup from heat at this point and the cup, together with that portion of the casing which projects into the interior of the furnace will at the same time act as a heater which gives the air the desired temperature before finally entering the furnace.” (Italics ours.)

Further, in speaking of the claimed advantages the patentee says (page 2, beginning line 82):

“Experience has shown that the centrifugal action of the cup causes the *hot furnace gases to be drawn down through the center* and discharge over the periphery with the heated oil into the fire area.” (Italics ours.)

Another feature distinctly absent in Ray is the “adjustable collar” of King for regulating the air (page 2, beginning line 104):

“The adjustable collar, together with the horizontally positioned fan permits the volume and velocity of air to be regulated for various conditions and sizes of furnaces, and the velocity of air may be increased by raising the collar through means of adjusting the screw 16.

And, again, referring to a feature characteristic only of a vertical type of burner the patentee says (page 2, beginning line 127):

“A deep cup would thus be required in a furnace only requiring a low temperature, as the *oil would be exposed a greater time period in a deep cup than in a shallow cup*. Similarly, where high temperature is encountered, it will only be necessary to insert a shallow cup, thus reducing the time period to which the oil is exposed before discharging into the furnace. The *adjustable collar* permits the insertion of cups of various depths and diameters without altering the sizes or dimensions of the burner otherwise.” (Italics ours.)

Furthermore, in arguing for patentability over Fesler and the Naval Fuel Board’s Report it is pointed out to the Patent Office in paper No. 3, dated July 28th, 1914 (filed August 4, 1914), (page 2, beginning line 3):

“First, because the construction of the two atomizers is entirely different. Applicant shows and claims a cup-shaped atomizer, while the burner shown in the Liquid Fuel Report is provided with a flat disc atomizer. The difference in construction between the cup-shaped atomizer and the disk is considerable and the final result obtained, judging from the Liquid Fuel Report, is hardly comparable.”

And, again, on page 3:

“The points in favor of applicant’s cup-shaped atomizer are as follows:

First, that by *retarding* the passage of the oil over the surface of the rotator or atomizer the film is thinned out, to such a degree as to assist in producing a finely atomized oil at the discharge lip * * *.

The rotating member is constructed in the shape of a deep cup with sloping sides and a *flat discharge lip* on the periphery. The cup is open at its upper end in such a manner that when installed, the surface over which the oil passes is entirely exposed to the radiant heat of the furnace. The cup is proportioned in such a manner as *to retard the oil* in its passage over the surface, until it has acquired sufficient heat to flash, immediately upon leaving the discharge lip of the cup. As a result of the thinning out of the film of oil, as it is forced up the sides of the rotating member and the constantly decreasing viscosity due to the progressive heating of the oil, the atomization at the discharge lip is extremely fine allowing the oil to be entirely consumed within an area of from two to six inches from the periphery of the rotator.”

(Italics ours.)

Note in the above the emphasis laid on *retarding the oil flow*. This is the antithesis in the action of Ray and the later Simplex, because with the cup horizontal and with outwardly sloping sides the oil flow is *accelerated* toward its point of delivery.

As a result of the foregoing and other arguments the claims now in the patent were finally deemed allowable.

Defendant's appeal on the counter-claim we submit should be dismissed.

INFRINGEMENT OF FIRST RAY PATENT.

In addition to the fact that infringement is practically admitted because never denied, the proofs show as we have already pointed out herein that the defendant's infringing Simplex, Exhibit I, is really a Chinese copy of the Ray patents.

The claims sued on with respect to the first Ray patent are 3, 4, 7, 8, 9, 10, 11, 12. These claims in turn resolve themselves into two groups:

Group 1. Claims 7, 8 and 12, relating to the general burner construction, or the so-called generic claims.

Group 2. Claims 3, 4, 9, 10, and 11, the specific claims including the oil cup construction open at the rear end except for the inturned flange (13), providing a dam against back flow of oil, with the support for the cup on a solid shaft (9), by means

of a spider (12), within and between the ends of the cup (11) and the eccentric oil feed pipe (14).

Obviously, what might invalidate any one claim would not necessarily adversely affect any other.

And in the same section (Walker Sec. 177) that author says:

“In contemplation of law each claim of a patent is considered as setting forth a complete and independent invention.”

See also:

Jones v. Sykes, 254 Fed. 91, 96;

Lamson v. Hillman, 123 Fed. 416;

United Nickel Co. v. California Co., 25 Fed. 475;

Anderson v. Potts, 108 Fed. 379 (7th C. C. A.).

CLAIMS SUED ON.

The references denote the characters on the drawings of Ray patent No. 1,193,819.

General Claims of Group 1.

Claim 7:

A centrifugal oil burner comprising in combination:

- (1) A motor (10) and
- (2) a motor shaft (9),
- (3) upon which is mounted a fan (5)
 - (a) of relatively large diameter with respect to its width;

- (4) a fan casing (2);
- (5) said casing (2) having a nozzle (7) in axial line with,
 - (a) and surrounding and spaced from said shaft (9);
 - (b) said casing (2) having
- (6) a diaphragm (3)
 - (a) between the fan (5) and nozzle (7)
 - (b) around which (diaphragm 3) the air travels
 - (c) in a relatively thin sheet to the nozzle (7),
- (7) an oil distributing cup (11)
 - (a) on the end of the shaft (9) within said nozzle (7);
- (8) means (pipe 14) to deliver oil to the cup (11);
- (9) the air passing through the nozzle (7) having a thin cylindrical discharge substantially coaxial with the oil cup (11) and intercepting the centrifugally discharging oil from the cup (11), substantially as described.

Claim 8:

In an oil burner:

- (1) A gradually tapering air nozzle (7);
- (2) a gradually flaring cup (11)
- (3) arranged within the nozzle (7)
- (4) and extending a distance therein to form with the nozzle (7) a comparatively long annular air passage which gradually de-

- creases in area toward the contracted end of the nozzle (3),
- (5) the latter (nozzle 3) closely surrounding the cup
- (a) whereby a thin sheet of air will issue from the annular passage provided;
- (6) oil supply means (pipe 14) for the cup (11),
- (7) and air supply means
- (a) comprising a casing (2) supporting the nozzle (7),
- (b) and a blower (5) of large diameter arranged within the casing (2)
- (c) and provided with narrow blades of small area
- (d) *whereby a small volume of air under high pressure is obtainable.*

Claim 12:

The combination in an oil burner:

- (1) Of an open mouth cup (11)
- (a) having unperforated side walls,
- (2) and an oil supply (pipe 14) through the bottom (of cup 11);
- (3) a circular casing (2) having
- (a) a nozzle (7) extending from one side, axial with and inclosing the cup, and forming therewith a long narrow convergent channel;
- (4) an air blower (5) within the casing (2) with narrow blades of small area,

- (5) and a shaft (9) upon which both cup (11) and blower (5) are fixed to rotate in unison,
 (a) *said blower (5) having a diameter which will discharge air under a sufficient pressure to divert the centrifugally discharged oil into the line of travel of the air.*

Claims of Group 2.

(On specific form of oil cup and oil delivery.)

Claim 3:

An oil burner comprising:

- (1) A casing (2) having a restricted tubular discharge nozzle (7);
- (2) a rotatable blower (5) mounted in the casing (2) for impelling air through the nozzle (7);
- (3) an oil spraying nozzle (11) comprising a cup (11);
 - (a) having a perforated bottom (12) carrying a stem (9) secured to the blower (5) for rotation therewith,
 - (b) and rearwardly extending flanges (13) overhanging the stem,
- (4) and a pipe (14) for delivering oil into the flange (13) and through the perforated cup bottom (12) for deliverance in a centrifugal manner into the surrounding air jet.

Claim 4:

In an oil burning apparatus:

- (1) A casing having a nozzle (7);
- (2) an oil spraying cup (11) rotatable within the nozzle (7), and provided with
- (3) a plurality of perforations (12) in its bottom only;
- (4) means (motor 11) for rotating the cup (11) and supplying air for the nozzle,
- (5) and means (oil pipe 14) for supplying oil for passage through the perforations (12) of the cup and discharge from the latter.

Claim 9:

In an oil burner:

- (1) An air nozzle (7);
- (2) an oil spraying nozzle (11) rotatable in the air nozzle (7), and comprising
 - (a) a cup (11) having a rearwardly extending flange (13),
- (3) and means (oil pipe 14) for supplying oil to the flange for delivery to the cup.

Claim 10:

In an oil burner:

- (1) An air nozzle (7);
- (2) oil spraying means (cup 11) rotatable therein, and comprising
 - (a) a cup (11) having
 - (b) a rearwardly extending flange (13) communicating with the cup,
- (3) and a delivery pipe (14) having its delivery end deflected and extending into the flange (13) of the cup for supplying oil thereto.

Claim 11:

In an oil burner:

- (1) An air nozzle (7);
- (2) oil spraying means (11) rotatable therein, and comprising
 - (a) a cup (11), having a rearwardly extending flange (13) communicating with the cup;
- (3) said flange (13) being angular in cross section,
- (4) and on oil pipe (14) terminating within the flange (13) for delivering oil therein.

INFRINGEMENT OF SECOND RAY PATENT.

Claims 15 and 1, 2 and 3 relate particularly to the combination of the burner with the furnace plate 3, whilst claims 14, 16, 17, 18, 19 and 20 and 4, 5 and 6 relate to the oil connections through the hinges.

For convenience we will quote but a few of the claims relied on as illustrative of the two groups:

Group 1.

The combination with the air jacketing furnace plate 3.

Claim 1:

In an oil burning apparatus, the combination of

- (1) a furnace plate (3) adapted to be attached to a furnace front,

- (a) and carrying a tubular extension (4) adapted to project through an opening in the furnace wall to form a metallic lining therefor,
- (2) and a fan blower casing (B) hinged to the plate (3);
- (3) said fan blower casing (B) carrying an oil distributing cup (14) which projects through the said tubular projection (4) to discharge into the furnace when the fan blower casing is closed over the plate.

Claim 15:

In an oil burning apparatus, the combination with

- (1) a furnace plate (3) adapted to be attached to a furnace front (A), and having
- (2) an inwardly tapering extension (4) registering with the furnace opening (2);
- (3) of a casing (B), hingedly mounted on the furnace plate (3), adapted to be swung to and away from the furnace front opening (2);
- (4) a motor driven centrifugal oil burner (motor 11, oil cup 14, nozzle 17, etc.) mounted on the hinged casing (B) and operatively disposed within the smaller and inner end of the plate extension (4),

- (5) and connections, oil pipes 27, 25, 28, 29, 21, etc.) for delivering fuel oil to the burner (14).

Group 21 for the Oil Supply and Oil Excess Return Through the Hinges.

Claim 17:

The combination with a furnace (A) having an opening (2) formed therein:

- (1) A pair of hinge lugs (5, 9-5, 9) on the furnace;
- (2) an oil burner (cup 14),
- (3) and means (oil connection) for supplying oil to the burner pivotally connecting the latter to the hinge lugs;
- (4) said means comprising an oil-supplying conduit (pipes 27, 25) passing through one hinge lug (lower one) and a returned conduit (pipes 24, 33) passing through the other hinge lug (upper one),
- (5) and connected to the first conduit between the hinge lugs (by means of the double tee 26).

Claim 18:

The combination with a furnace (A) having an opening (2) formed therein:

NOTE: Claims 14-16, primarily relating to the delivery of oil to the burner through the hinges, omits the return feature of surplus oil by specific reference, but that *both* hinges shall provide oil passages.

Claim 15 is broader in that it has the mounting of the burner on the furnace plate, with the conical extension 4 in combination without particular means for In other delivering oil to the burner. words, in claim 15 the oil is not necessarily restricted to admission through the burner hinges.

- (1) A pair of hinge lugs (5, 9-5, 9) on the furnace;
- (2) an oil burner (cup 14);
- (3) of means for supplying oil to the burner pivotally connecting the latter to the hinge lugs;
- (4) said means comprising an oil-supplying conduit (hollow pintle 25) passing through one hinge lug (the lower one), and
- (5) a return conduit (pintle 24) passing through the other hinge lug (the upper one),
- (6) and a pump (23) arranged in the supply conduit for forcing the oil through the *conduits* (plural) and to the burner.

Claim 19:

The combination of a furnace (A) having an opening (2) formed therein:

- (1) A pair of hinge lugs (5, 9-5, 9) on the furnace;
- (2) an oil burner (cup 14);
- (3) means for supplying oil to the burner pivotally connecting the latter to the hinge lugs;
- (4) said means comprising an oil-supplying conduit (pintle 25) passing through one hinge lug (the lower one), and
- (5) a return conduit (pintle 24) passing through the other hinge lug (the upper one),
- (6) and a double T-connection (26) arranged between the hinge lugs and having separate passages connected to the respective conduits.

Claim 20:

The combination with a furnace (A) having an opening formed therein:

- (1) A pair of hinge lugs (5, 9-5, 9) on the furnace;
- (2) an oil burner (14);
- (3) means for supplying oil to the burner pivotally connecting the latter to the hinge lugs;
- (4) said means comprising an oil-supplying conduit (pintle 25) passing through one hinge lug,
- (5) and a return conduit (pintle 24) passing through the other hinge lug;
- (6) a motor (11);
- (7) a fan (13) driven by the motor (11) for delivering air to the burner;
- (8) and a pump (23) arranged in the conduits and driven by the motor.

Without extended analysis it is sufficient to say that the other claims specified as infringed are directed to further details, which details have been so closely copied by the defendant in its rotary fan type of burner (Exhibit 1), that infringement of all the claims of both patents necessarily follow if the Court finds the patents valid, as we submit it must.

Conclusion.

It is anticipated that the defendant will argue, as it did before the Trial Court, to show that in some manner or other not at all clear, the first Ray patent adversely affects the second Ray patent. We refer to the matter so as to avoid the necessity of applying to the Court for leave to file a reply brief. The burden of defendant's contention was thus summarized in the argument on final hearing where counsel for the defendant stated (Transcript of argument, page 165) :

“If Ray made any invention in this case by going through the prior patents and selecting from one one particular oil cup and from another one particular fan, etc., then we, under this assumption, must have made an invention *when we took the oil cup from the first patent and substituted it for the oil cup in the second patent in combination with other features in that second patent.* That is precisely what Ray did in getting together his combination of elements. It is obviously absurd for anyone to contend that there could have been any invention with these two Ray patents before them in selecting from one the oil cup and substituting it for the oil cup of the other.”

Aside from the admission of appropriation of the Ray inventions, the fallacy otherwise of this reasoning must be apparent, and we merely want to point out to the Court the fact that the two Ray patents are to be construed in the light of the rules governing copending applications of the same inventor.

The date of invention and application and not the date of patent is the controlling date in determining as to the legal effect to be given to two patents issued at different dates to the same inventor in which are shown certain features common to both.

Suffolk County Mfg. Co. v. Hayden, 70 U. S. 3 Wall. 315 (18:76);
McMillan v. Reese, 1 Fed. 722.

In short, neither patent is to be considered as a part of the prior art with respect to the other.

That this is not an open question, see the following cases:

Ide v. Trorlicht & Co., 115 Fed. 137, 145 (C. C. A.)

“Where each of several applications, which subsequently ripen into patents to the same inventor, describes an entire machine and the inventions claimed in all of the applications, but no one of the applications claims any invention claimed in any of the others, and they are all pending at the same time, the respective dates of the applications and of the patents and the dates when the applications were filed are immaterial, and the applications and the patents cannot be used to anticipate each other. *Walk. Pat. Sec. 180; Westinghouse Electric & Mfg. Co. v. Dayton Fan & Motor Co.* (C. C.) 106 Fed. 724, 726; *Suffolk Manufacturing Co. v. Hayden*, 3 Wall. 315, 318, 18 L. Ed. 76; *Graham v. McCormick* (C. C.) 11 Fed. 859.”

See also:

Anderson v. Collins, 122 Fed. 451, 458;
Victor Talking Co. v. American Graph. Co.,
140 Fed. 860; affirmed 145 Fed. 350;

Welsbach Light Co. v. Cohn, 181 Fed. 122,
126;

Cleveland Foundry Co. v. Detroit Co., 131
Fed. 853, 858 (C. C. A.);

Kinnear Mfg. Co. v. Wilson, 142 Fed. 970
(C. C. A.).

The rule would hold even if the dates of the patents were reversed and the broader patents had issued last; for, as said in *Cleveland Foundry Co. v. Detroit Vapor Stove Co.*, 131 Fed. 853, 858 (C. C. A.):

“As was explained in the *Dayton Fan & Motor Co.* case, when the patent first granted is distinctly and only for an improvement, on another invention which is already the subject of a prior application then pending, and on which a later patent is granted, the patent for the improvement in no wise interferes with the other application or the patent issued thereon, for the reason that the patents are for separate and distinct inventions. In just such a case as this we held that the later patent, being one for the generic invention, was not invalidated by reason of the issue of a previous patent in which improvements upon the other only had been patented. We had already so held in *Thomson-Houston Electric Co. v. Ohio Brass Co.*, *supra*. It is true that in the applications for these patents for improvements there was no express disclaimer or renunciation of the matter of the former application. But that was unnecessary. That application was pending and being prosecuted in the Patent Office, and the fact that the application for the improvement patents did not intend to release his former invention to the public was as well understood as if he had in express terms said so. In order to explain

the basis of the improvement patents, it was necessary to state what the improvement was upon, and how it fitted it. Having done this, he claimed what was new, and thereby distinguished what his patent was intended to include.”

See also the opinion of then Judge Taft in Thomson-Houston Electric Co. v. Ohio Brass Co., 80 Fed. 712 (C. C. A.).

We further anticipate that the defendant will urge upon this Court that all Ray did, anyway, was to exercise the mechanic’s prerogative of selection of desired parts from the prior art within the skill of the calling without invention. But to this there are several answers. To those already given we would but add that Ray did a great deal more than merely select individual elements here and there. Some of these elements and some of the results did not exist, in fact, at all in the oil burner art.

1. The straight-shot horizontal flame by a rotary burner was new with Ray.

2. A large diameter narrow blade fan was entirely new in oil burners. (A *suction* cleaner can scarcely be held applicable where the mere chance existence of a similar fan would in no wise suggest its adaptation to the *blower* effects desired in a rotary oil burner.)

3. The diaphragm of Ray as already pointed out was not only recognized by the Trial Court as being

something new, but its desirability, from whatever cause, is recognized by the fact that the defendant uses it.

As we have seen, the diaphragm appears to do several things:

(a) It relieves the friction load which would be caused by the air pressure acting against the end face of the fan, so that the motor may be driven with much less power.

(b) It prevents objectionable disturbance of the air, due to the frictional contact with the moving surface of the fan disk.

(c) It provides a flat circular passageway of large area at the point where air is delivered there-to, and uniformly contracts the passageway while delivering air to the nozzle, thus insuring that the air velocity will be increased, or at least not diminished in transit, and that an undisturbed envelop of air will be projected from the nozzle and around the cup.

(d) By means of the diaphragm a circulation of air through the housing and the fan may be brought about, where the elimination of the diaphragm would cause the air to bank around the circumferential edge of the fan, and tend to greatly impede the flow of air from the inlet opening to the nozzle.

Other points of novelty in Ray embrace:

(4) The hinged air nozzle acting as a furnace plate and air jacket for the oil cup.

(5) The Ray burner as a compact unit embodying the features of accessibility, simplicity, oil supply and return through the hinge; the double T and all; absolutely copied in detail by the defendant.

Aside from any technical rules of patent law relative to aggregation or combination, we stand squarely on the record that Ray was the first in the art to produce a horizontal, "straight-shot" character of flame in a motor-driven atomizer that would serve the demands of the trade.

We challenge the defendant to produce any prior patent or publication that would in itself accomplish the results of the Ray patents.

Undeniably, there are patents which show here and there some of the separate elements that Mr. Ray saw fit to adopt, but why did he adopt certain features here and there and to those add others that led to ultimate success? Because he some way possessed that intuitive faculty of the mind that belongs to the real discoverer of new things.

That his competitor the defendant and its predecessors, took it up afterwards is eloquent of Ray's originality and ingenuity. If the prior art was so fertile and suggestive of the Ray invention, why did defendant, who had been in business many years prior to the Ray invention, delay introducing an article that according to the Trial Court's opinion (R. 208) is "useful and superior" and in "extensive use", until Ray blazed the trail.

Mr. Ray is a true inventor, in the accepted sense of the word, and to deny him credit for the efforts and expense put forth over a long period of years in developing this invention, is contrary to the spirit of the patent law.

This Court has much less frequently found invalidity than non-infringement in patent cases. This is as it should be. Under the American system of patent granting, skilled Examiners of considerable scientific training scrutinize every application for patent, and they are competent to decide what does and what does not involve invention. Once the Commissioner of Patents issues a patent, the Court assumes that it represents something more than the enterprise of a manufacturer or salesman. That is the reason for the presumption of novelty attaching on the issuance of the patent. Oftentimes the owner of a patent may think it covers more than it really does, and it is distinctly the province of the Court to construe the patent and place the proper interpretation upon it.

In addition to the strong showing of positive novelty and utility in the Ray patents, it is interesting to note some of the *unusual* presumptions attending their validity:

(a) The added presumption of validity shown by the careful consideration given the Ray patents by the Patent Office Experts. (United Co. v. Beattie, 138 Fed. 136.)

(b) The added presumption resulting from the excessive number of so-called “prior art” patents urged upon the Court by way of anticipation, when viewed particularly in the light (or shadow) of the refusal of defendant’s expert to designate any one as a “best reference”. (*Forsyth v. Garlock*, *supra*, and other cases.)

(c) The added presumption due to the fact that the defendant’s device is closer to plaintiffs’ patents than to anything in the so-called prior art.

“It gives the tribute of its praise to the prior art; it gives the Grant Tire the tribute of its imitation as others have done.” (*Diamond Tire Case*, 220 U. S. 428.)

(d) “A patent is *prima facie* evidence of utility, and doubts relevant to the question should be resolved against infringers, because it is improbable that men will render themselves liable to actions for infringement, unless infringement is useful. In fact if the defendant has adopted the distinctive features of a patented device he is estopped to deny its utility.” (*Walker on Patents*, Section 85, page 103.)

(e) The added presumption of validity—really more than a presumption for the Courts frequently accept it as corroborative proof—that defendant has appropriated the plaintiffs’ patented inventions as the foundation of its own business and, moreover, has met with success as a result thereof. (*Milner Co. v. Yesbera*, 133 Fed. 916; *Dowagiac Co. v. Superior*, 115 Fed. 88.)

The defendant, although free to adopt any or all of the ancient devices, nevertheless when it came to build its machine and to construct horizontal rotary oil burners which would operate for commercial, practical purposes, more nearly copied the patented device of the plaintiff than anything else in the prior art. This of itself is strong evidence of invention.

The National Hollow B. B. Co. v. Interchangeable B. B. Co., 106 Fed. 699;

Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 118 Fed. 136, C. C. A.

(f) The added presumption that the Ray burner and the infringing Simplex have both met with popularity and commercial success and supplanted the former vertical rotary burner.

Extensive use where not due merely to advertising, and the fact that defendants themselves abandoned a previously used device and adopted the patented one, constitutes evidence of invention. (Peters v. Union Biscuit Co., 120 Fed. 679 (Mo).)

Further, we have only to remind this Honorable Court that no fine distinctions of infringement or non-infringement present themselves here as so often do in patent cases. (We are not speaking now of the alleged counter-claim on the King patent because we believe that the charge is not only without merit from any angle but that aside from the priorities and equities in favor of Ray and King claims are not infringed and never were infringed

and the defendant's predecessors knew it when they dismissed their former suit.)

However, as to the Ray patents, it has never been denied that defendant infringed. Defendant's sole defense and hope has been the destruction of the Ray patents.

But it has ever been the policy of our Courts to effectuate the policy laid down in the Constitution, that patents are granted in order to "promote the progress of science and useful arts".

To that end the Courts have tended strongly to the exercise of a broad and liberal view rather than a technical one, where the result may be to destroy or paralyze a patent for a recognizedly meritorious invention.

While it is true that no absolute yardstick has been devised for measuring an invention, yet it is accepted doctrine that

"all doubts should be resolved in favor of patentees, and every shred of inventive progress should be protected." (Universal Arch Co. v. American Arch Co., 290 Fed. 653.)

One has but to read the opinions of the Supreme Court in the Barbed Wire case, 143 U. S. 283, the Rubber Tire case, 220 U. S. 428, and many others, to appreciate that the law does not require that an inventor shall indulge in witchcraft and create something that never before existed in any form.

It is sufficient if he combines old and well-known elements in such a way as to bring about better

results. In the case of Loom Company v. Higgins, 105 U. S. 591, Justice Bradley said:

“It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result never attained before, it is evidence of invention.”

Therefore, when the Hon. Trial Judge (R. 208) concedes the fact that plaintiffs' burner is

“a compact, useful, and superior machine or instrumentality to supply fuel oil to fire boxes, and of extensive use”

he is crediting Ray with accomplishing the very things which the law recognizes as constituting invention, and it was clearly error for the Court to conclude that these desirable accomplishments are nothing more than the ordinary and anticipated advance in the art by reason of mechanical skill and the enterprise of the manufacturer and salesman.

These observations are submitted in view of the fact that the defendant found it necessary to offer in evidence some twenty-seven patents to show, not in combination but separately, some—*not all*—of the features which Ray has so ingeniously combined in what the Trial Judge states is a “compact, useful, and superior machine of extensive use”. Is not the world looking for compact, useful and superior machines to promote the progress of science?

The prior utterances of this Court, as well as of the Supreme Court, repeatedly pronounce such achievement as invention. The Supreme Court in two rather recent cases emphasizes this principle:

One coming up from this Circuit, in which Chief Justice Taft held that the Dickinson patent for a candy-pulling machine (since it effected a saving in the manufacture of candy and places the business on a more sanitary plane, even in spite of the crudeness and imperfections of the first machine) was a pioneer invention, and the patent was entitled to a broad range of equivalents. (*Hildreth v. Mastores*, 257 U. S. 27.)

The other case is that of *Eibel Process Company v. Minnesota and Ontario Paper Company*, 261 U. S. 45, in which Chief Justice Taft said, concerning the patent in suit:

“In administering the patent law the court first looks into the art to find what the real merit of the alleged discovery or invention is and whether it has advanced the art substantially. If it has done so, then the court is liberal in its construction of the patent to secure to the inventor the reward he deserves. If what he has done works only a slight step forward and that which he says is a discovery is on the border line between mere mechanical change and real invention, then his patent, if sustained, will be given a narrow scope and infringement will be found only in approximate copies of the new device. It is this differing attitude of the courts toward genuine discoveries and slight improvements that reconciles the sometimes apparently conflicting instances

of construing specifications and the finding of equivalents in alleged infringements. In the case before us, for the reasons we have already reviewed, we think that Eibel made a very useful discovery which has substantially advanced the art."

"His was not a pioneer invention creating a new art; but a patent which is only an improvement on an old machine may be very meritorious and entitled to liberal treatment. Indeed, when one notes the crude working of machines of famous pioneer inventions and discoveries, and compares them with the modern machines and processes exemplifying the principle of pioneer discovery, one hesitates in the division of credit between the original inventor and the improvers; and certainly finds no reason to withhold from the really meritorious improver the application of the rule 'ut res magis valeat quam pereat', which has been sustained in so many cases in this court."

In the leading case of *Turrill v. Railroad Co.*, 1 Wall. 291, Mr. Justice Clifford, speaking for the Supreme Court, said:

"Patents for inventions are not to be treated as mere monopolies, and, therefore, odious in the eyes of the law; but they are to receive a liberal construction, and under the fair application of the rule, *ut res magis valeat quam pereat*, are, if practicable, to be so interpreted as to uphold and not to destroy the right of the inventor."

In the case of *Hogg v. Emerson*, 6 How. 485, the same Court said:

"We cannot consent to be over astute in sustaining objections to patents. * * *

“The true rule of construction in respect to patents and specifications and the doings generally of inventors, is to apply to them plain, ordinary principles, as we have endeavored to on this occasion, and not in this most metaphysical branch of modern law to yield to subtleties and technicalities unsuited to the subject and not in keeping with the liberal spirit of the age, and likely to prove ruinous to a class of the community so inconsiderate and unskilled in business as men of genius and inventors usually are.”

Under all the circumstances here the rule of construction laid down in *Hogg v. Emerson*, *Turrill v. R. R. Co.*, *Rubber Co. v. Goodyear Co.*, 9 Wall. 788, and so recently affirmed in the *Eibel Process* case *supra*, applies with stringent force.

We respectfully submit that the decree, insofar as concerns the Ray patents, should be reversed and said patents, and each of them, held valid and infringed, with an award of costs in favor of plaintiffs and that defendant's appeal and cross-bill be dismissed.

Dated, San Francisco,

October 15, 1924.

Respectfully submitted,

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No. 4256

IN THE
United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT.

WILLIAM R. RAY and W. S. RAY MANUFACTURING
COMPANY (a corporation),

Appellants and Cross-Appellees,

vs.

BUNTING IRON WORKS,

Appellee and Cross-Appellant.

BRIEF ON BEHALF OF DEFENDANT-
APPELLEE BUNTING IRON
WORKS

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TOPICAL INDEX

	Page
I. Statement of Facts.....	1
II. Rotary Type of Oil Burner.....	6
Centrifugal Cup Is Atomizing Means in Rotary Cup Burner	8
Variations in Sizes of Parts According to Variations in Capacities and in Amount of Work to Be Done....	10
Form of Flame Controlled by Direction and Force of Air Current	14
Arrangement and Location of Several Instrumentalities Comprising Rotary Cup Burner.....	19
Electric Motor	20
Centrifugal Fan	21
Centrifugal Atomizing Cup.....	26
Mounting or Support of Burner Relative to Furnace....	30
Means for Supplying Oil to Burner and Returning Excess Oil to Supply Source.....	31
III. Aggregation of Various Species of Instrumentalities Present in All Rotary Cup Burners.....	34
IV. First Ray Patent.....	47
Claim 3 of the First Ray Patent.....	50
Claim 4 of the First Ray Patent Completely Anticipated by Eddy 1895 Patent.....	53
Claim 7 of the First Ray Patent.....	54
Claim 8 of the First Ray Patent.....	58
Claim 9 of the First Ray Patent.....	59
Claim 10 of the First Ray Patent.....	60
Claim 12 of the First Ray Patent.....	61
Klein 1892 Patent.....	62
Straight Shot Flame	66
V. Second Ray Patent	68
VI. King-Becker Horizontal Rotary Burner.....	88
VII. Dates Relating to Ray's Activities.....	94
VIII. Estoppel Defense	95
Conclusion	98

DEFENDANT'S EXHIBITS

	Record Page
A Plaintiffs' Catalog "Ray Rotary Fuel Oil Burners".....	56
B Cook Patent No. 73,506, January 21, 1868.....	79
C DeLandsee Patent No. 100,268, March 1, 1870.....	80
D Kinney Patent No. 315,145, April 7, 1885.....	80
E Collins Patent No. 426,713, April 29, 1890.....	80
F Klein Patent No. 473,759, April 26, 1892.....	80
G Leyson Patent No. 530,539, December 11, 1894.....	80
H Eddy Patent No. 540,650, June 11, 1895.....	80
I Eddy Patent No. 540,651, June 11, 1895.....	80
J Mack Patent No. 548,647, October 29, 1895.....	80
K Hammam Patent No. 563,483, July 7, 1896.....	80
L Thom Patent No. 668,236, February 19, 1901.....	80
M Anderson Patent No. 719,716, February 3, 1903.....	80
N Gibbs Patent No. 752,900, February 23, 1904.....	80
O Gordejff Patent No. 764,718, July 12, 1904.....	80
P Hammam Patent No. 799,560, September 12, 1905.....	80
Q Johnson Patent No. 1,009,525, November 21, 1911.....	80
R Britten Patent No. 1,022,122, April 2, 1912.....	80
S Fesler Patent No. 1,026,663, May 21, 1912.....	81
T Gordin Patent No. 1,085,334, January 27, 1914.....	81
U Bcker Patent No. 1,095,447, May 5, 1914.....	81
V Becker Patent No. 1,101,779, June 30, 1914.....	81
W Britten Patent No. 1,102,387, July 7, 1914.....	81
X Fesler Patent No. 1,113,108, October 6, 1914.....	81
Y Shore Patent No. 1,157,964, October 26, 1915.....	81
Z King Patent No. 1,158,058, October 26, 1915.....	81
AA Serrell Patent No. 965,025, 1910.....	81
BB Harker Patent No. 993,985, May 30, 1911.....	81
CC Fess Catalogue of March 16, 1911.....	106
DD American Heat & Power Co. Catalogue, March 20, 1914	107
EE King-Becker drawing (August 3 1911).....	142
FF King-Becker 1911 device.....	144
GG "Handbook for Architects and Heating Engineers, Copyrighted in 1914".....	144
HH Bulletin of G. E. Witt Company.....	165
II Witt burner head.....	166

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**BRIEF ON BEHALF OF DEFENDANT-
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I.

STATEMENT OF FACTS

This case comes before this Court on plaintiff's appeal from a final decree dismissing the bill of complaint.

Plaintiffs' patents and the respective claims thereof, charged to be infringed, are as follows:

Claims 3, 4, 7, 8, 9, 10, 11 and 12 of United States

letters patent No. 1,193,819, issued on August 8, 1916, to W. R. Ray for Oil Burners.

Claims 1 to 6, and 14 to 20, inclusive, of United States letters patent No. 1,285,376, issued on November 19, 1918, to W. R. Ray for Oil Burners.

The lower Court found and decreed all said claims to be void for *want of invention*. In arriving at this conclusion the lower Court merely applied, to the undisputed facts, the well established principles of patent law as announced in the following cases:

In the case of *Huebner-Toledo Breweries Co. vs. Mathews Gravity Carrier Co.*, 253 Fed., 435, 447, the Circuit Court of Appeals for the Sixth Circuit, said:

“It is said that appellee’s carrier is not anticipated by any single patent; but it is not necessary to show complete anticipation in a single patent. The selection and putting together of the most desirable parts of different machines in the same or kindred art, making a new machine, but in which each part operates in the same way as it operated before and effects the same result, cannot be invention; such combinations are in the nature of things the evolutions of the mechanic’s aptitude rather than the creations of the inventor’s faculty. *Thompson vs. Boisselier*, 114 U. S. 1, 11, 5 Sup. Ct. 1042, 29 L. Ed. 76; *Luten vs. Whittier*, 251 Fed., 590, C. C. A., decided by this Court May 7, 1918; *Elite Mfg. Co. vs. Ashland Mfg. Co.*, 235 Fed., 893, 895, 149 C. C. A. 205 (C. C. A. 6); *Kelly vs. Clow*, 89 Fed., 297, 303, 32 C. C. A. 205 (C. C. A. 7); *Keene vs. New Idea Spreader Co.*, *supra*, 231 Fed. at pages 708, 709, 145 C. C. A. 589.

Assuming, as counsel claim, that large sales have been made of the carriers in issue, still commercial success is never a safe criterion, except in cases of doubtful validity of the patent; such success cannot aid claims that are clearly without patentable novelty. *Olin vs. Timken*, 155 U. S. 141, 155, 15 Sup. Ct. 49, 39 L. Ed. 100; *Grinnell Washing Machine Co. vs. Johnson Co.*, *supra*; *Keene vs. New Idea Spreader Co.*, *supra*, 231 Fed., at page 710, 145 C. C. A. 589."

To the same effect are the following words of the same Circuit Court of Appeals in the case of *Elite Mfg. Co. vs. Ashland Mfg. Co.*, 235 Fed. 893; 895:

"The various elements shown in plaintiff's patent and mentioned in its respective claims are all found in the prior art, performing respectively the same function in the same way and producing the same result as in plaintiff's device. We are not unmindful that to combine old parts in such manner as to produce a new result by their harmonious co-operation may be patentable; but where the combination is not only of old parts, but obtains old results, without the addition of any new and distinct function, it is not patentable. There is no invention in merely selecting and assembling, as Burkholder did, the most desirable parts of different mechanisms in the same art, where each operates in the same way in the new device as it did in the old, and effects the same results. *Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co.*, 116 Fed. 363, 369, 53 C. C. A. 583; *Overweight Counter-balance Co. vs. Henry Vogt Machine Co.*, 102 Fed. 957, 961, 962, 43 C. C. A. 80; *Sheffield Car Co. vs. D'Arcy*, 194 Fed. 686, 693, 116 C. C. A. 322. All of these cases were decided by this Court. It requires only

the commonest kind of skill, such as any mechanic ordinarily skilled in the art could and would have exercised, to borrow, as the patentee did, from well known styles of jack one or more of their operative parts and put the same into another, there to perform the same function as such respective parts performed in the first. The plaintiff's lifting-jack patent, for want of novelty and patentable invention, cannot be sustained."

That no invention is required to merely select and assemble old instrumentalities in aggregation, is referred to in the case of *Turner vs. Moore*, 211 Fed., 466, 467, wherein the Circuit Court of Appeals for the Eighth Circuit, said:

"The column and flat slab construction was old in the art, and was so declared by the Patent Office. Except as to the elbow rods the evidence before the trial Court was full and convincing that none of the plaintiff's particular elements were new. This was so completely established by prior patents, publications, and designated structures that no pains need be taken to enumerate and discuss them. Counsel argue that as no single prior patent, publication, or structure exhibited all of the elements of the claims in suit, the defense must fail. But if they were clearly disclosed before, though separately, it was not invention to bring them together as the plaintiff did. For example, it is not invention to take a fire pot from an old stove, a flue from another and a coal reservoir from a third and assemble them, where each merely performs its old functions in its new location. *Hailes vs. Van Wormer*, 20 Wall. 353, 22 L. Ed. 241. Plaintiff's column rods were, in function, the old column rods, and nothing more. His floors of flat slabs without beams or girders

were old and so of their reinforcement by groups of rods passing in various directions over the points of support. The cantilever rods extending across the tops of the columns into the supported structure were also old. The plaintiff merely selected and assembled old things in aggregation, and pushed them with enterprise and publicity."

The defenses relied on are: Want of invention, anticipation, prior invention and use, and estoppel.

For convenience we shall refer to the appellants as plaintiffs and to the appellee as defendant. Also for convenience we shall refer to the Ray 1916 patent, as the first Ray patent, and to the 1918 Ray patent, as the second Ray patent.

All italics herein may be deemed ours.

II.

ROTARY TYPE OF OIL BURNER

The rotary or centrifugal type of oil burner comprises (1) a rotary atomizer or cup; (2) means for rotating the cup; (3) means for creating a current of air for discharge about the periphery of the cup; and (4) means for supplying oil to the cup.

The oil, fed into the bottom of the cup, is discharged by centrifugal force from the periphery of the cup at right angles to its axis of rotation and in an atomized condition. The atomized oil, so discharged at right angles to the cup's axis of rotation, meets the annular current of air, surrounding the cup, and is deflected from such right angle direction to a greater or less extent, according to the direction and velocity of the air current.

As the atomized oil is discharged from the cup, by centrifugal force, at right angles to the cup's axis of rotation, it is apparent that a *flat* flame, at right angles to the cup's axis of rotation, would be produced in the absence of any air current.

To produce other than such *flat* flame, it is necessary to utilize the air current. Furthermore, it is quite obvious that the *direction and force* of the air current determines and fixes the *form of flame* produced.

If the direction of the current of air, surrounding the cup, is *parallel* to the cup's axis of rotation, the

atomized oil will be deflected to a direction *parallel* with such axis and in the "form of a shaft or column of inflammable vapor," so that a long, straight-shot flame will be produced.

If the direction of the current of air, surrounding the cup, is at an angle of forty-five degrees, more or less, with the cup's axis of rotation, the atomized oil will be deflected to a less extent and a saucer-like flame will be produced.

From the foregoing, it is quite apparent that any form of flame, from the *flat* flame to the *straight-shot* flame can be produced by *merely varying the direction and force of the air current* surrounding the centrifugal atomizing cup.

The desirability of producing a particular form of flame is dependant upon the manner in which the rotary burner is desired to be used.

When the rotary burner is to be located within the fire-box, near the center thereof and beneath the boiler, it is quite obvious that a saucer-like *horizontal* flame is desirable as being the only practical form of flame which will spread out in all directions and upwardly beneath the boiler. To secure such a saucer-like *horizontal* flame, it is necessary to rotate the centrifugal atomizing cup in a horizontal plane and thus discharge the oil in a horizontal plane and to so direct the current of air that it will only slightly deflect the sheet of oil in an upward direction. To so rotate the cup, it is necessary to mount it on a

vertical shaft. This type of burner is referred to as the vertical rotary type of burner.

When the rotary burner is to be located mainly outside the fire-box, with the atomizing cup and air nozzle projecting through the wall at one end of the fire-box, it is quite obvious that a straight-shot flame is desirable as being the only practical form of flame which can be projected throughout the length of the fire-box beneath the boiler. To secure such a straight-shot flame it is necessary to rotate the centrifugal atomizing cup in a horizontal plane and thus discharge the oil in a vertical plane from which it is deflected by the horizontal annular current of air surrounding the cup. To so rotate the cup it is necessary to mount it on a horizontal shaft. This type of burner is referred to as the horizontal rotary type of burner.

CENTRIFUGAL CUP IS ATOMIZING MEANS IN ROTARY CUP BURNER

In the straight-shot prior art burners, wherein a steam blast or air blast is *alone* relied on to atomize the oil, it is necessary to use 25 to 30 pounds of steam or air pressure to perform such function.

In the centrifugal cup type of burner, the oil is atomized by being thrown from the periphery of the cup by centrifugal force. For this reason, the

patentee Ray designates such cup a "rotary atomizer." In his first patent, Ray says at line 12, page 1:

"It is an object of this invention to provide in one complete unit a rotary *atomizer*, an air pump and a motor with but one moving component; and particularly to provide an oil burner whereby a quantity of crude oil is atomized and *then* directed in a substantially lineal or axial direction; . . ."

It will be noted Ray states the crude oil is first *atomized* and *then* such atomized oil is directed in an axial direction. To so direct the atomized oil in an axial direction, the annular current of air is provided. As such current of air is not relied on to atomize the oil but merely to change the direction thereof, it is only necessary to use a pressure as low as 3 ounces.

The fact that an air pressure of only 3 ounces is used in the centrifugal atomizing cup type of burner, whereas a steam pressure or air pressure of 25 to 30 pounds is required in the straight-shot type of burner, wherein no mechanical means are used to atomize the oil, conclusively demonstrates that the centrifugal cup is the atomizing means in the rotary cup type of burner.

Reference to this obvious fact is made because of the labored effort of opposing counsel to convince the Court that the mode of operation of the Ray device differs from the mode of operation of prior art centrifugal cup burners.

In all these centrifugal cup burners, the rotary cup

is the atomizing means and the annular current of air is the means of directing the atomized oil into or throughout the furnace. The direction and force of the air current merely determines the direction and form of the flame, which can be varied at will by merely varying such direction and force of the annular air current. There is nothing mysterious or abstruse in the foregoing situation and the respective actions and effects of the centrifugal cups and of the air currents in these types of burners were quite obvious from the very beginning of the art.

VARIATIONS IN SIZES OF PARTS ACCORDING TO VARIATIONS IN CAPACITIES AND IN AMOUNT OF WORK TO BE DONE

As in the case of steam engines, gasoline engines, electric motors, et cetera, the size and capacity of rotary oil burners are varied according to the amount of work to be performed. In a large sized burner, as compared with a smaller burner, more oil is burned and, therefore, in such a burner, the cup is larger, the quantity and pressure of the air are increased to deflect the larger quantity of atomized oil, the dimensions of the fan are increased to create the increased quantity and pressure of air required and the size of the electric motor is increased in order to rotate the larger cup and fan.

In so increasing the size of the electric motor, it is quite obvious no invention is required. The engi-

neer, by merely using his engineering knowledge, figures what horse-power is necessary to operate the device and specifies that an electric motor of a certain horse-power be employed in the device.

The engineer also figures what air volume and pressure must be used to deflect the atomized oil to the desired extent to produce the desired form of flame and then, by merely exercising his engineering skill, figures the dimensions of a fan capable of delivering such air current.

DESIGN OF FAN MERE ENGINEERING PROBLEM

The factors, which control the design of a fan, are matters of general engineering knowledge and skill and have been known from a time long antedating any matters in controversy in this suit. As the expert witness and engineer, DeLaney, said:

“Q. What factors control a design of a fan for getting certain results with regard to taking care of a certain volume of air having certain pressure? . . .

A. In building a fan for a specific purpose, knowing the desired pressure of air that you wish to carry, the pressure of air will give you the diameter of your fan. The volume of air that you want will be controlled by the width of the fan.

Q. What would be the proper design of a fan where you wished to take care of a small volume of air at a relatively high pressure?

A. Your runner would be wide enough to carry the necessary volume and the diameter to give you

the necessary pressure. For a small volume it would be a comparatively narrow runner.

Q. State whether or not the fan which you find embodied in the defendant's device is designed in accordance with what you have just stated to be the factors entering into the design of a fan to take care of the amount of air which would discharge from the air nozzle in the defendant's device?

A. Yes, it would; it would give you a relatively high pressure for a small discharge opening.

Q. For what length of time, to your knowledge, have fans been so designed in order to take care of varying volumes and pressures of air as indicated by you?

A. I would have to go back a long, long ways into various books which I have read on fan construction over a period of possibly twenty years.

Q. How many?

A. Twenty." (R. 96.)

Regarding the variation in the sizes of fans used, the witness DeLaney said:

"A. In the defendant's type of burner there are several sizes; each size carries a certain diameter fan, which gives a certain pressure and volume.

MR. WHITE—Q. Why is it necessary in the defendant's device to vary the size of the fan and in this way vary the pressure of the air discharged from the air nozzle?

A. Because the smaller sizes of the unit are for small consumption of oil, and the larger sizes for a larger consumption of oil, and the air current or pressure is in proportion to the volume of oil.

Q. In other words, then, it requires a greater pressure to take care of a greater volume of oil

discharged from the distributing cup. Is that correct?

A. It is.

Q. Can you give the pressure under which the air is discharged from the air nozzle in the defendant's apparatus, Plaintiff's Exhibit 1?

A. No, I cannot.

Q. Can you give it approximately?

A. Approximately about 3 ounces.

Q. Is that a high or low pressure? A. Low.

THE COURT—Q. What do you mean by '3 ounces'—in proportion to what?

A. 3 ounces static pressure.

Q. Even that does not make it clear to a layman.

A. 3 ounces per square inch.

Q. Atmospheric pressure itself is what?

A. 14.6 pounds.

MR. WHITE—Q. Compare that pressure utilized in defendant's apparatus, Plaintiff's Exhibit 1, with the pressures used in other types of oil burners on the market, and of a higher pressure?

MR. TOWNSEND—As to comparison with rotary burners, your Honor, they are of no consequence.

THE COURT—Proceed and answer the question.

A. If you take the type of a burner in which the air pressure only is the atomizing means of your oil, it is customary to use 25 or 30 pounds of air pressure.

Q. Now let me understand you right here. I am more familiar with steam than with air. Do you mean that if you had a gage on the defendant's device the pressure indicated on the gage would be 3 ounces?

A. Yes, sir.

Q. That would be rather small.

A. Yes, sir. In other types, other than the mechanical atomizing types, your air is the atomizing medium, while in Exhibit 1 you are using the rotary force for atomizing the oil, assisted by the projection of the air current, which is much less than the straight air-atomizing burner.

MR. WHITE—What is the principal function performed by the current of air issuing from the air nozzle in the defendant's device, or in the plaintiff's device, as illustrated in these two exhibits before you, Exhibits 1 and 7?

* * * * *

MR. WHITE—Please state the chief function.

A. The chief function of the air current in these two types of burners here is for the changing of the current or direction of the oil current from that of right angles to the shaft or axis to parallel to the shaft, or projecting forward." (R. 89.)

FORM OF FLAME CONTROLLED BY DIRECTION AND FORCE OF AIR CURRENT

In respect to varying the form or shape of the flame by merely varying the direction and force of the air current, Mr. DeLaney said:

"Q. What would be the type of flame in connection with this Fesler burner, what would be the form?

A. It might be described as being saucer-shaped.

Q. For what reason would it be so shaped; in other words, what is there in the device of Fesler that would give the flame that saucer shape?

A. The fact that Fesler uses a rotating head for atomizing the oil, and that the current of air

supplied by the fan which is housed in the burner head delivers the oil parallel to the oil, delivers the air parallel to the oil current, it gives you the saucer-shaped fire.

Q. To get the cylindrical-shaped flame of this device here of plaintiff and defendant it is necessary, as I understand it, to discharge it at right angles to the oil discharged from the periphery of the cup. Is that correct?

A. Yes.

Q. So that in any of these burners you can vary the form of the flame by varying the angle at which the air discharges around the periphery of the centrifugal cup. Is that correct?

A. Yes, it is." (R. 101.)

To create the straight-shot flame parallel to the cup's horizontal axis of rotation, it is but necessary to direct the air current parallel to such axis and thus cause it to deflect the atomized oil to a direction parallel with the axis. When the atomized oil is so directed into the furnace parallel to cup's horizontal axis, it has the form of flame of the old, prior art straight-shot burner employing only a blast of steam or of air to atomize the oil.

As an example of such *straight-shot* form of flame produced in the centrifugal cup type of burner, the witness DeLaney referred to the prior art Klein rotary cup burner disclosed in the Klein patent issued April 26, 1892, about twenty years prior to Mr. Ray's advent in this art.

In other words, Klein, as early as 1892, disclosed to the public a centrifugal cup burner in which the

atomized oil was deflected by the air current to a direction parallel with the cup's horizontal axis of rotation, with the result of producing the horizontal straight-shot form of flame. In this Klein patent of 1892, the patentee says:

"The distributor D will be propelled with great rapidity and the oil or other fluid to be atomized will be thrown from its mouth in a line at or about right angles to its axis *and would impinge against the walls of the nozzle of the shell A were it not met by a counteracting current of air rushing through said nozzle, which deflects the oil, and the two fluids become thoroughly mixed.*"

Fig. 4 of this Klein patent discloses a burner comprising the centrifugal atomizing cup D mounted on the horizontal shaft C, on which is mounted the fan C for creating the current of air which discharges through the restricted annular air outlet between the nozzle A and cup D and thus deflects the atomized oil to a direction parallel with the cup's axis of rotation. Regarding the Klein rotary burner, the witness DeLaney said:

"Q. I refer you now to the Klein patent and ask you to describe the features disclosed therein.

A. In this Klein patent is illustrated the mechanical or rotary force, the mechanical atomization of your oil, the oil being fed through a hollow shaft, the shaft carrying the atomizing cup; also carrying a fan for propelling air at the discharge area of the nozzle.

Q. What have you to say in regard to the area of that discharge opening of the air nozzle, rela-

tive to the amount of air that would be discharged there-through, and the force or pressure of such air?

A. The area of discharge is very much smaller; that is, you have a *restricted area* at the discharge nozzle in comparison to the chamber between the fan and the nozzle.

Q. With what pressure is the air discharged from this Klein nozzle, according to the disclosure of this Klein patent?

A. It creates a pressure that is sufficient to keep the oil, that is, the atomized oil, or the oil leaving the atomizing cup from striking the edge of the nozzle which is adjacent to the periphery of the cup.

Q. And in this Klein structure, the periphery of the oil-distributing cup is within the outlet opening of the air nozzle. Is that correct?

A. It is.

Q. And the air is discharged with such force as to prevent the oil thrown off from the periphery of the cup from striking the inner surface of that air outlet opening. Is that right?

A. Yes.

MR. TOWNSEND—If your Honor please, that is objected to as leading, and I don't think it is supported by the disclosure in the patent.

THE COURT—It is leading.

MR. WHITE—I am trying to cover the ground quickly, your Honor. *That statement is in the patent.*

THE COURT—That statement is in the patent?

MR. WHITE—*Yes, your Honor.*

THE COURT—*I should imagine that would be the effect there anyhow if it had air enough—or, rather, I should conclude that. I think perhaps we all know that.*

MR. WHITE—Q. What would be the effect

of such discharge of air in this Klein device with respect to modifying the direction of the flow of the current of oil discharged from the periphery of the oil cup?

A. The discharge of the oil from the atomizing cup without the current of air would be at right angles to the axis. *The current of air there would change the oil from right angles to the axis to parallel to the axis.*" (R. 87.)

From the foregoing, it is apparent that, long prior to Ray's appearance in this art, it was well known and appreciated and was obvious that the form of flame, produced in a centrifugal cup burner, could be and would be and actually was varied, according to the direction and force of the air current, from the flat flame, through the various forms of saucer-shaped flames to the straight-shot flame. Furthermore, it is quite obvious from an inspection of the prior art, to be hereinafter discussed, that the selection of the particular form of flame was controlled by the conditions under which the burner was intended to be used. In respect to the burners located mainly outside the fire-box and with only the air nozzle and rotary cup projecting through the end wall of the fire-box, the straight-shot form of flame was obviously the preferable type. In respect to burners located within the fire-box and near the center thereof, the saucer-like flame was obviously the preferable type. However, in respect to mode of operation, there is no difference between these two types of centrifugal cup burners.

In both types, the centrifugal cup atomizes the oil and the direction and force of the air current controls the form of flame.

ARRANGEMENT AND LOCATION OF SEVERAL INSTRUMENTALITIES COMPRISING ROTARY CUP BURNER

As stated before, the centrifugal or rotary cup type of burner necessarily comprises the following instrumentalities:

- (1) Some form or species of rotary cup;
- (2) Some form or species of motor means for rotating the cup;
- (3) Some form or species of means for creating the air current for discharge about the periphery of the cup; and
- (4) Some form or species of means for conducting oil to the bottom of the cup.

It is quite apparent that each of the foregoing elements of such a type of burner is in and by itself a complete, separate and distinct instrumentality or machine capable of performing its own separate and distinct function according to its own mode of operation and unaffected by the specific or particular characteristics and features of the other instrumentalities.

ELECTRIC MOTOR

The Ray patents disclose, as means for rotating the cup, an electric motor, but no attempt is made to describe the particular construction or characteristics of any particular type or make of electric motor. If Ray had followed the course pursued by him in describing the conventional details and characteristics of an ordinary and well-known type of fan, to wit, a centrifugal fan, he would have described all the details of some particular type of electric motor and incorporated all said details as separate elements in his claims. Such a course, in respect to the electric motor, could obviously have no justification, as it is apparent it is quite immaterial, so far as the operation of the burner is concerned, whether a General Electric or Westinghouse or any other make of motor, or any other type of motor means, is used, provided it delivers the horsepower necessary to do the required work.

It is also obvious that, so far as concerns the operation of the complete burner, it is quite immaterial whether such electric motor or other type of motor, be mounted on the same shaft on which the rotary cup is mounted or whether such motor be located at a distance and power therefrom transmitted by a belt to a pulley on the shaft on which the rotary cup is mounted. In either location the burner, as a whole, would operate in precisely the same way. In other words, the location of the electric motor or other type

of motor, relative to the other elements of the complete burner, is merely a matter of machine design. In the prior art devices, we find the motor means sometimes mounted on the shaft on which the cup is mounted and sometimes located elsewhere and power therefrom transmitted to the rotary cup shaft. In the prior art devices, we find different types of motors used and including electric motors, water turbines and air turbines for rotating the cup shaft. The selection of the particular type of motor is a mere matter of engineering discretion and judgment although, in view of the development of the electric motor, that type is generally selected for obvious reasons, prompting its general use in most of the mechanical arts.

CENTRIFUGAL FAN

The Ray patents disclose a well-known type of fan, to wit, the centrifugal type in which the air is discharged centrifugally at the periphery of the fan from the ends of the fan blades. This type of fan, as well as the propulsion type of fan, are found in the prior art devices, wherein they are both used to create the air current.

The centrifugal type of fan is in and by itself a complete instrumentality or machine embracing certain features and details of construction and operating and functioning in accordance with its own mode of operation. Such type of fan is capable of use in a great variety of mechanical environments and its

selection for use in connection with any other particular devices or apparatus is merely a matter of engineering judgment and discretion. Such type of fan was a well-known device and on the market long prior to Ray's appearance in the oil burner art and, prior to his said appearance, its characteristics, advantages and mode of operation were well known.

The "diaphragm," so frequently referred to in opposing counsel's brief and, in the first Ray patent, referred to as the "partition 3," is nothing more than one side of the fan casing. In other words, due to the centrifugal discharge of the air from the ends of the fan blades, such blades, in a centrifugal fan, revolve in a casing having stationary sides enclosing the revolving blades. Precisely the same construction of centrifugal fan and "diaphragm" or casing side are disclosed in the 1895 Mack patent covering an oil burner. The same conventional and well-known construction of a centrifugal fan is disclosed in the 1911 Harker patent. The Harker centrifugal fan comprises the fan blades 63 revolving in a casing, one stationary side of which is the partition or disk 68. Just as in the conventional centrifugal fan illustrated in the Ray patents, the air is discharged from the ends of the blades in the Harker fan and flows over the partition or diaphragm 68 into the adjacent enclosed space (corresponding to the Ray space 6 of his first patent), and then flows inwardly towards the shaft where it discharges through an opening surrounding the shaft,

precisely as it discharges from said space in the first Ray patented device.

As the witness DeLaney said, the factors controlling the design of a fan are the volume of air and the pressure of air required to do the desired work. The *volume* of air capable of being handled by the fan is dependent upon the width of the fan blades. The *pressure* of the air is dependent upon the length of the blades. On this point he said:

“A. In building a fan for a specific purpose, knowing the desired *pressure* of air that you wish to carry, the *pressure* of air will give you the *diameter of your fan*. The *volume* of air that you want will be controlled by the *width of the fan*.”
(R. 97.)

It will be noted that Ray, in his first patent claims, attempts to monopolize the use of a centrifugal fan in oil burners when so designed, according to old and well-known engineering principles, to deliver the current of air required to divert the centrifugally discharged oil and project it into the furnace. In other words, in many of said claims he describes the prior well-known centrifugal type of fan of the necessary diameter and having the proper width of blades to deliver the required volume of air at the necessary pressure to divert, in the old prior art manner, the atomized oil and produce the prior well-known straight-shot form of flame.

It is, of course, obvious that no patentee is entitled

to monopolize prior well-known engineering principles controlling the proper design of a prior well-known instrumentality in adapting it to do more or less work in accordance with its old mode of operation.

It may be well to refer, at this point, to the fact that patent drawings are not made to scale. Patents are addressed to those skilled in the art and one, attempting to practice the invention disclosed in a patent, is required to exercise the necessary mechanical and engineering skill required to so practice the invention. In other words, when a patentee states or discloses that a small volume of air, issuing from a restricted annular opening surrounding a rotary oil cup, diverts the oil into a direction parallel with the cup's axis of rotation and illustrates a fan for producing such current of air, it is unnecessary for the patentee to show or state what the exact dimensions of such fan must be in order to provide such current of air under a pressure sufficient to produce that result. The factors controlling the design of such a fan are well known and were well known long prior to Ray's appearance in the oil burning art.

When a patentee discloses an electric motor for actuating his patented device, it is unnecessary for him to disclose the proportions and dimensions of the parts thereof in order to adapt such motor to do the required work. Those are merely engineering prob-

lems, to be solved by the application of well-known engineering principles.

As said in the case of *Crown Cork & Seal Co. of Baltimore City vs. Aluminum Stopper Co.*, by the Circuit Court of Appeals for the Fourth Circuit; 108 Fed., 845, 849:

“The object of the drawings filed in the Patent Office is attained if they clearly exhibit the principles involved, and, in a case like this, rigid adherence to the dimensions thus exhibited is not required or expected and, if an intelligent mechanic would so proportion the dimensions as to secure practical results, inutility is not demonstrated by experiments with material identical in form and proportion of parts with the drawings in the patent.”

As in the case of the electric motor, it is quite immaterial, in respect to operation of the burner, whether the fan be located on the same shaft on which the rotating cup is mounted or on which the motor is mounted. If the fan be located at a distance from the cup and the air therefrom conveyed by a pipe to the air nozzle surrounding the cup, the burner, as a whole, will operate in a manner precisely the same as it operates when the fan, cup and motor are all mounted on the same shaft. The relative locations of these separate and distinct instrumentalities is a mere matter of machine design. In the prior art burners, we find these three devices, to wit, motor, fan and cup, sometimes mounted on the same shaft and sometimes otherwise located.

CENTRIFUGAL ATOMIZING CUP

The first Ray patent discloses one form or species of rotary cup. The second Ray patent discloses another form or species of rotary cup.

The cup, disclosed in the first Ray patent, is, in construction, the same as the rotary cup designed and used in 1911 by Messrs. King and Becker who, at that time, were associated with defendant's predecessor in interest, the American Heat & Power Co. of Oakland, California. This type of cup is disclosed in the drawing, dated August 3, 1911, and marked "Defendant's Exhibit EE, King-Becker drawing." (R. 142.) The original King-Becker 1911 cup is also in evidence as "Defendant's Exhibit FF, King -Becker 1911 device." (R. 144.) The same type of cup is also disclosed in some of the prior art patents and the construction thereof will be hereinafter referred to.

Only 24 burners were ever made by the plaintiffs and embodying the species of cup disclosed in the first Ray patent. As said by plaintiff Ray:

"MR. WHITE—Q. How many burners did you or your company make embodying the type of cup disclosed in the first patent in suit, No. 1,193,819, and which cup has the rearwardly projecting flange?"

* * * * *

A. As near as I can remember, about 24."
(R. 184.)

In other oil burners made by plaintiffs, the species of cup, disclosed in the second Ray patent, was employed. (R. 185.)

In the defendant's device involved herein, the King-Becker type of cup, appropriated by Mr. Ray and disclosed in his first patent, is embodied.

The defendant is charged with infringing both these Ray patents, notwithstanding they respectively disclose and claim two different species of rotary cups. In other words, plaintiffs contend a change in the species of cup used does not change the mode of operation of the burner as a whole. This is true not only in respect to the particular species of cups used but also in respect to the particular species of motors, fans and means for conducting oil to the cup. In other words, the foregoing demonstrates that the Ray burners are merely aggregations of old elements, each operating in its own way and unaffected by the particular species of the other necessary means required to make up the complete burner.

The fact that two different species or types of rotary cups are respectively disclosed in the two Ray patents and that defendant uses that species disclosed in the first Ray patent and designed by King and Becker as early as 1911, affords an opportunity of applying the principles followed by the lower Court in adjudging these two Ray patents void for want of invention.

For the purpose only of illustrating our point, we

shall assume that these two Ray patents respectively disclosed, when issued, novel combinations and that thereafter, defendant, in constructing its device, selected from the first Ray patent the particular species of cup disclosed in such patent and aggregated the same with the elements disclosed in the second Ray patent, with the exception of the cup disclosed in such patent. Could such substitution of the cup of the first Ray patent for the cup in the second Ray patented aggregation of elements be deemed an invention? Obviously not, and the law is well established that such a selection of elements and the substitution of one equivalent for another does not amount to invention.

As said by the Circuit Court of Appeals for the Sixth Circuit in the case of *General Manifold & Printing Co. vs. Simple Account Sales Book Co.*, 246 Fed., 125, 126:

“From neither point of view did he do more than to take an existing combination and substitute for one element thereof a known equivalent. This is not invention. *Keene vs. New Idea Co.* (C. C. A. 6), 231 Fed., 701, 145 C. C. A. 587; *Fare Register Co. vs. Ohmer Co.* (C. C. A. 6), 238 Fed., 182, 151 C. C. A. 258; *Budd Co. vs. New England Co.* (C. C. A. 6), 240 Fed., 415, 153 C. C. A. 341, and cases cited in each.”

To the same effect are the words of Judge Manton

in the case of *Le Roy vs. Nicholas Power Co.*, 244 Fed., 955, 958, 959, wherein he said:

“The cases are uniform in holding that there is no invention in merely selecting and fitting together the most desirable parts of different machines in the same art, if each operates the same in the new machine as it did in the old and effects the same result. In view of this condition of the prior art, I am of the opinion that the claim of the defendant that LeRoy’s patent is anticipated by the art, and is therefore void of invention, is well founded.”

In the case of *Butler Bros. vs. Pratt*, 253 Fed., 654, 656, the Circuit Court of Appeals for the Eighth Circuit said:

“As settled by many cases, it is not invention to substitute for one element in an article of manufacture another, which performs the same functions in substantially the same way and accomplishes substantially the same effect. *Railroad Supply Co. vs. Elyria Iron & Steel Co.*, 244 U. S. 285, 37 Sup. Ct. 502, 61 L. Ed. 1136; *Smith vs. Nichols*, 21 Wall. 112, 22 L. Ed. 566; *Reckendorfer vs. Faber*, 92 U. S. 347, 23 L. Ed. 719; *Van Epps vs. United Box Board & Paper Co.*, 143 Fed., 869, 75 C. C. A. 77; Walker on Patents (5th Ed.) §36.”

As the prior art in evidence discloses, Ray did not invent any new combination, all he did was to select the most desirable parts of old devices and aggregate them together in the same old way to perform the same old functions.

MOUNTING OR SUPPORT OF BURNER RELATIVE TO FURNACE

We have referred to the prior art burners designed for location within the fire-box near the center thereof and embracing the vertical shaft for rotating the atomizing cup in a horizontal plane and so directing the current of air as to produce the saucer-shaped flame.

Other prior art burners are disclosed for location outside the fire-box and having only the rotary cup and surrounding air nozzle projecting through an opening in the furnace wall. In these burners the cup is mounted on a horizontal shaft and the air current so directed as to form the horizontal straight-shot flame.

It will be noted that the prior art burners are supported and mounted, relative to the furnace wall, in various ways. One type is permanently attached to a plate surrounding the wall opening through which projects the air nozzle and atomizing cup. Another type is mounted on a door hinged to the furnace wall. Still another type is hinged to the furnace wall and a part of the oil burner forms the closure for the opening in the wall.

MEANS FOR SUPPLYING OIL TO BURNER AND
RETURNING EXCESS OIL TO SUPPLY
SOURCE

The first Ray patent discloses the burner hinged to the furnace wall. It will be noted that, in this patent, no means are shown or described for conveying the oil from the source of supply to the burner and no oil pump is shown. Presumably, some form of *flexible* conduit would be used to so convey the oil to the hinged burner. In fact, Ray states that, in his first burner, he used such "*flexible* oil connection to make the connection to the oil feed valve." (R. 176.) It will also be noted that no means are shown in the first Ray patent for returning to the source of supply any excess oil.

In the burner of the second Ray patent, the oil is delivered to the hinged burner by a pipe, a section of which forms one of the hinge pintles and the excess oil is returned from the burner to the source of supply by another pipe, a section of which forms the other hinged pintle. By so utilizing portions of the oil pipes as hinge pintles, the necessity of using flexible oil conduits is eliminated.

The use of hollow-hinged pintles as portions of conduits for so conveying the oil to hinged burners, is disclosed in the prior art and such old means were merely appropriated by Ray and were not original with him.

The necessity for providing means to return the excess oil to the source of supply is due to the fact that the oil pump is directly connected to the motor and starts pumping as soon as the motor starts and continues pumping a certain quantity of oil regardless of the amount of oil permitted to flow through the pipe to the rotary cup, such flow to the cup being controlled and varied by a valve in such pipe. It is thus apparent that, at times, more oil is pumped than is permitted to flow to the cup and such surplus oil is returned to the source of supply. Such pumping and oil return system were not original with Ray, but were common practice in connection with the prior art oil burners.

As early as 1910 the Fess Company made and sold burners in San Francisco in connection with such an oil system and the same is disclosed in that company's catalog in evidence as "Defendant's Exhibit CC—Fess Company Catalog" (R. 106). As DeLaney said in respect to such 1910 Fess Company oil burner:

"A. The equipment consisted of an electric motor to operate the burner, a main driving shaft, having a worm reduction gear, end gear, which operated a small oil pump; the shaft extended into a set of bevel gears which carried the power to the vertical shaft carrying the atomizing cup; the pump operating upon a constant speed motor naturally ran at a constant capacity of oil, the amount of oil that was taken over or used on the burner was taken from the pump, and the balance of the oil returned through a relief valve to the source of supply" (R. 105).

The same system of pumping the oil and returning the excess oil to the supply source was used by defendant's predecessor, the American Heat and Power Company, as early as 1913 (R. 107). That company's catalog disclosing such system is in evidence as "Defendant's Exhibit DD" (R. 107).

Regarding such an oil supply and return system, the witness Becker testified as follows:

"Q. State what was the practice during the year 1911 with regard to these oil burners, in respect to having oil pumps operating therewith, and having a return oil conduit to the source of supply, to take care of the surplus oil.

A. In 1911 it was the law of the fire marshal in San Francisco that he would not allow an installation unless you had a return flow of your oil through the pump; in other words, we used a motor and an oil pump which we by-passed to return the surplus of oil not used by the burner" (R. 155).

III.

AGGREGATION OF VARIOUS SPECIES OF INSTRUMENTALITIES PRESENT IN ALL ROTARY CUP BURNERS

“For example, it is not invention to take a fire pot from an old stove, a flue from another and a coal reservoir from a third and assemble them where each merely performs its old functions in its new location. *Hailes vs. Van Wormer*, 20 Wall. 353.”

Turner vs. Moore, 211 Fed. 466, 467 (C. C. A., 8th C.).

The centrifugal or rotary atomizing cup burner necessarily embodies some form of atomizing cup plus some form of means for rotating the cup, plus some form of means for creating the current of air for discharge around the periphery of the cup, plus some form of means for feeding oil to the cup.

The said four different means respectively perform four different functions and each of said means is in and by itself a complete unit or instrumentality performing its own individual function according to its own individual mode of operation.

We can assume that the whole prior art in evidence was a store to which all those working in this art had access at all times and that on the shelves of such store were displayed all the various and sundry prior art types of atomizing cups, all the various and sundry prior art types of motor means for rotating the cups, all the various and sundry prior art types of

fans, and all the various and sundry prior art types of oil-feeding means, respectively utilized in the prior art oil burners, and we can also assume that Mr. Ray, before making his selection of the particular types of cups, of the particular type of electric motor, of the particular type of fan, and of the particular type of oil-feeding means respectively disclosed in the Ray patents in suit, went into such store and there saw on display all said types of said various means.

The foregoing assumption is justified by a conclusive presumption of law announced as follows by the Supreme Court in the case of *Mast, Foos & Co. vs. Stover Manufacturing Company*, 177 U. S. 485, 493:

“Having all these various devices before him, and whatever the facts may have been, *he is chargeable with a knowledge of all pre-existing devices*, did it involve an exercise of the inventive faculty to employ the same combination in a windmill for the purpose of converting a rotary into a reciprocating motion?”

Did it involve, on the part of Ray, any exercise of the inventive faculty to merely select, from the various types of motors on the shelves of such prior art store, an electric motor instead of a water turbine motor? To select a centrifugal fan of the proper dimensions to do the required work, instead of one of insufficient or of too great capacity? To select the King-Becker 1911 type of atomizing cup? To select the oil pump feed and excess oil return system used

by defendant's predecessor, *American Heat & Power Co.*, in 1911?

Having made such selection of atomizing cup, motor, fan and oil-feed means, did it require any invention by Ray to aggregate said instrumentalities and hinge the aggregation to a plate on the furnace wall adjacent an opening therein, in the same manner that oil burners had long prior been hinged to a plate on the furnace wall adjacent an opening therein and which opening, like Ray's, was lined with a conical metal plate?

Having so hinged his aggregation of cup, motor and fan, to the furnace wall, did it require any invention by Ray to use the prior art method of conducting the oil to and from the burner by the use of hollow-hinge pintles?

It would seem quite apparent that one would not be making any invention in this art by simply substituting in any one of the burners disclosed in the record, a different type of old motor, or a different type of old cup, or a different type of old fan, or a different type of old oil-feed means. It also would seem apparent that one would not be making an invention to simply hinge any one of said burners to the furnace wall and which burner was shown permanently attached to such wall. If this were not true, one could make an invention every time he suggested hinging to the furnace wall one of the prior art burners illustrated as not so hinged. As early as 1868 the pat-

entee Cook fully appreciated any burner could be either permanently attached to the furnace wall or be hingedly connected thereto. In his 1868 patent, "Defendant's Exhibit B" (R. 79), Cook says that his rotary cup "can be attached in any position at any convenient place, such as the furnace door. . . ."

The fact that the Ray devices are mere aggregations of separate instrumentalities respectively operating according to their own modes of operation and that the mode of operation of the complete burner is not changed by substituting, for one of said instrumentalities, a different species, is demonstrated by plaintiffs' own expert witness Whaley, who testified as follows:

"MR. WHITE—Q. In each of these devices which you have described, do you find a rotating oil cup, plus means for rotating that cup, plus means for creating a current of air for discharge about the periphery of that cup, plus means for getting oil into the cup?

A. In the two machines that I have described that is correct.

* * * * *

Q. In the defendant's device, do you find an oil cup the same in design as the oil cup in plaintiff's device that you have described, and if not, what is the difference between the two oil cups?

A. The oil cup in plaintiff's Exhibit 7 differs in that the oil is brought into the cup centrally in the back end of the cup; in the plaintiff's Exhibit 1 the oil is introduced off center into a flange in the rear side of the cup.

Q. In other words, in the plaintiff's device you

have the oil cup joined to the end of the hollow shaft, through which hollow shaft extends a stationary oil pipe for feeding oil into the cup. Is that correct?

A. That is correct.

Q. In the defendant's device you find an oil cup having a central partition with a rearwardly projecting flange, and the partition being joined to the end of the shaft, and there being a stationary oil pipe for delivering the oil into that rearwardly projecting flange and from there going into the front chamber for discharge?

A. That is correct.

Q. In the defendant's device the shaft is solid; there is no oil passed through the shaft. Is that correct?

A. That is correct.

Q. You have said that the mode of operation of the two devices is identical in respect to atomization of the oil; that is true, notwithstanding that in plaintiff's device you have one specific type of oil cup and one specific type of feeding oil to that cup, and in the defendant's device you have another species of oil cup and another species of delivering oil to that cup. Is that correct?

A. The delivery of the oil to the cup has nothing to do with the atomization of the oil.

THE COURT—Answer the question. Read the question.

(Last question repeated by the reporter.)

A. That is true; the method of atomizing the oil is the same in each.

Q. Is the action of the fan in the plaintiff's device any different by reason of being associated therein with a particular species of oil cup and a particular species of means for getting oil into that cup in respect to the fan action of the defendant's device, which is combined with a different species

of oil cup and a different species of oil feed to the cup?

A. No.

Q. In other words, in these two devices, notwithstanding the differences in respect to the two oil cups and the two means for feeding oil into those cups, the fans operate in the same way in accordance with their own law or mode of operation. Is that correct?

A. That is correct.

Q. Is that true in regard to the electrical motors in these two devices—that is, they operate precisely in the same way, notwithstanding the fact that in the plaintiff's device one motor is associated with this particular species of cup and oil feed, and in the defendant's device the motor is associated with another species of oil cup, and another species of oil feed? Is that correct?

A. The mode of operation is the same, yes." (R. 71.)

The witness Ray testified to the same effect as follows:

"Q. As I understand you, whether you used in your burner Exhibit 7 this type of burner head shown in the second patent or the type of burner head shown in the first patent, no different result is effected?

A. As far as the combustion is concerned, no.

Q. The mode of operation of the two devices is the same whether you have one type of burner in there or the other?

A. As a matter of introducing the oil, it is immaterial so far as combustion is concerned." (R. 186.)

On this same question of aggregation, the witness Delaney testified as follows:

“Q. State whether or not any difference in mode of operation results from the fact that in the exhibit here of the plaintiff’s commercial oil burner, there is an oil cup to which the oil is fed through a stationary oil conduit located in a hollow shaft, whereas, on the other hand, in this defendant’s device we have another species of oil cup to which oil is delivered by a stationary pipe on the shaft.

* * * * *

A. There would be no difference.

Q. In other words, then, when you substitute in one of these oil burners for the particular species of oil distributing cup and oil feed means therein another species of oil cup and oil feeding means, you do not modify the mode of operation of the whole device which comprises a fan and a motor. Is that correct?

A. Yes.

Q. State whether or not in the operation of the defendant’s device the mode of operation of that device as an oil burner would in any way be effected by the fact that instead of carrying the oil to the oil cup through conduits forming the hinge you carried the oil to the cup through a flexible conduit?

A. It would not.

MR. TOWNSEND—That is objected to as irrelevant. The defendants are doing that way and I cannot see that the inquiry is material.

THE COURT—I don’t know just what your claims may cover. I can very readily see what his answer would be. I think any of us can see it would make no difference, but following the rule, the objection will be over-ruled, an exception noted, and it will be in the record; if not relevant or

material or competent it will be given no consideration.

MR. WHITE—In the operation of this defendant's device, what effect, if any, in its mode of operation would there be in hinging that device to a front plate on the furnace wall and having another plate distinct from this first plate form the lining for the furnace opening?

A. There would be none.

Q. Is there any co-operation between this furnace lining or this lining here for the furnace opening and the rest of the device operating as an oil burner?

A. No. (R. 108.)

Upon the proposition that no invention is involved in selecting old elements and features and aggregating them together, the case of *Keene vs. New Idea Spreader Co.*, 231 Fed., 709, is most pertinent. In that case the Circuit Court of Appeals for the Sixth Circuit said:

“Still, to insist that claims disclose invention or discovery where their substantial equivalency in elements, in mode of operation and results, plainly appear in two or more earlier patents or publications, though not all in one patent or publication, is to ignore the very terms of the patent act. Above all, counsel's theory is opposed to the settled course of judicial decision. As was said, in holding a claim to be void for want of invention, in *Dilg vs. George Borgfeldt & Co.*, 189 Fed., 588, 590, 110 C. C. A. 568, 570 (C. C. A. 2d Cir.):

‘ . . . Although all the elements of the claim may not be found in any one patent, it is clear that they are all to be found in different patents. No single patent may anticipate, but they all have

a bearing upon the question whether invention or mechanical skill was involved or required.'

Again, in *Duer vs. Corbin Cabinet Lock Co.*, 149 U. S. 216, at 222, 13 Sup. Ct. 850, at 853 (37 L. Ed. 707), when affirming a decree dismissing the bill in a patent suit, Mr. Justice Brown said:

'In view of the advance that had been made by prior inventors, it is difficult to see wherein Orum displayed anything more than the usual skill of a mechanic in the execution of his device. All that he claims as invention is found in one or more of the prior patents.'

And further (149 U. S. 223, 13 Sup. Ct. 853, 37 L. Ed. 707):

'In view of the fact that Mr. Orum had no actual knowledge of the Gory patent, he may rightfully claim the quality of invention in the conception of his own device, but as he is deemed in a legal point of view to have had this and all other prior patents before him, his title to invention rests upon modifications of these, too trivial to be the subject of serious consideration.'

So in *Florsheim vs. Schilling*, 137 U. S. 64, 11 Sup. Ct. 20, 34 L. Ed. 574, where alleged infringements of two separate patents were involved, an error was assigned to a finding of the circuit court that 'there was no novelty in complainants' invention, because one feature was found in one old patent, and another feature in another, and still another feature in a third patent, all of which constituted the subject matter of the claims in complainants' patent,' it was held (137 U. S. 72, 11 Sup. Ct. 23, 34 L. Ed. 574):

'We concur with the Circuit Court that all the claims in these patents, except the last two claims in No. 238,101, are invalid by reason of their long prior use as inventions secured by patents which

cover every feature described in those claims; and that the combination of these features in No. 238,100 is not a patentable invention.'

And in *Busell Trimmer Co. vs. Stevens*, 137 U. S. 423, 11 Sup. Ct. 150, 34 L. Ed. 719, when denying the contention that certain features in the Orcutt patent constituted 'patentable novelties, especially the combination of them into one device,' it was said (137 U. S. 433, 11 Sup. Ct. 153, 34 L. Ed. 719):

'We repeat that, in view of the previous state of the art, we think otherwise. The evidence, taken as a whole, shows that all of those claimed elements are to be found in various prior patents—some in one patent, and some in another, but all performing like functions in well-known inventions having the same object as the Orcutt patent, and that there is no substantial difference between the Brown metal cutter and Orcutt's cutter, except in the configuration of their molded surfaces. That difference, to our minds, is not a patentable difference, even though the one cutter was used in the metal art, and the other in the leather art. A combination of old elements, such as are found in the patented device in suit, does not constitute a patentable invention.'

See, also, decisions of this court before cited: *Overweight Counterbalance El. Co. vs. Henry Vogt Mach. Co.*, 102 Fed., at page 961, 43 C. C. A. 80; *American Carriage Co. vs. Wyeth*, 139 Fed., at page 391, 71 C. C. A. 485."

As all of the elements of the Ray apparatus are borrowed from prior devices *in the same art* used to perform the same functions in the same way, the remarks of the Supreme Court in *Specialty Mfg. Co.*

vs. *Fenton Mfg. Co.*, 174 U. S. 492, are particularly pertinent:

“Putting the Hoffman patent in its most favorable light, it is very little, if anything, more than an aggregation of prior well-known devices, each constituent of which aggregation performs its own appropriate function in the old way. Where a combination of old devices produces a new result such combination is doubtless patentable, but where the combination is not only of old elements but of old results, and no new function is evolved from such combination, it falls within the rulings of this court in *Hailes vs. Van Wormer*, 20 Wall. 353-368; *Reckendorfer vs. Faber*, 92 U. S. 347, 356; *Philips vs. Detroit*, 111 U. S. 604; *Brinkerhof vs. Aloe*, 146 U. S. 515, 517; *Palmer vs. Corning*, 156 U. S. 342, 345; *Richards vs. Chase Elevator Co.*, 158 U. S. 299. Hoffman may have succeeded in producing a shelf more convenient and more salable than any which preceded it, but he has done it principally, if not wholly, by the exercise of mechanical skill.”

As Judge Hook said, in speaking for the Circuit Court of Appeals in the case of *Sloan Filter Co. vs. Portland Gold Mining Co.*, 139 Fed., 23:

“The result of the application of the common skill and experience of a mechanic, which comes from the habitual and intelligent practice of his calling, to the correction of some slight defect in a machine or combination, or to a new arrangement or grouping of its parts, tending to make it more effective for the accomplishment of the object for which it was designed, not involving a substantial discovery, nor constituting an addition to our knowledge of the art, is not within the pro-

tection of the patent laws. *Gates Iron Works vs. Fraser*, 153 U. S. 332, 14 Sup. Ct. 883, 38 L. Ed. 734; *Florsheim vs. Schilling*, 137 U. S. 64, 11 Sup. Ct. 20, 34 L. Ed. 574; *Hollister vs. Benedict Mfg. Co.*, 113 U. S. 59, 5 Sup. Ct. 717, 28 L. Ed. 901; *Atlantic Works vs. Brady*, 107 U. S. 192, 2 Sup. Ct. 225, 27 L. Ed. 438; *Dunbar vs. Meyers*, 94 U. S. 187, 24 L. Ed. 34; *Hotchkiss vs. Greenwood*, 11 How. 267, 13 L. Ed. 683; *Adams Electric Ry. Co. vs. Lindell Ry. Co.*, 77 Fed., 432, 23 C. C. A. 223; *Tiemann vs. Kraats*, 85 Fed. 437, 29 C. C. A. 257.

The mere use of known equivalents for some of the elements of prior structures; the substitution for one material of another known to possess the same qualities, though not to the same degree; the mere carrying forward or more extended application of the original idea, involving a change only in form, proportions or degree, and resulting in the doing of the same work in the same way and by substantially the same means—is not patentable, even though better results are secured; and this is the case, although what preceded rests alone in public knowledge and use, and not upon a patent. *Market St. Cable Ry. Co. vs. Rowley*, 155 U. S. 621, 15 Sup. Ct. 224, 39 L. Ed. 284; *Wright vs. Yuengling*, 155 U. S. 47, 15 Sup. Ct. 1, 39 L. Ed. 64; *Adams vs. Stamping Co.*, 141 U. S. 539, 12 Sup. Ct. 66, 35 L. Ed. 849; *Burt vs. Ivory*, 133 U. S. 349, 10 Sup. Ct. 394, 33 L. Ed. 647; *Brown vs. Dist. of Columbia*, 130 U. S. 87, 9 Sup. Ct. 437, 32 L. Ed. 863; *Crouch vs. Roemer*, 103 U. S. 797, 26 L. Ed. 426; *Roberts vs. Ryer*, 91 U. S. 150, 23 L. Ed. 267; *Smith vs. Nichols*, 21 Wall. 115, 22 L. Ed. 566; *Hicks vs. Kelsey*, 18 Wall. 670, 21 L. Ed. 852; *National Hollow Brake Beam Co. vs. Interchangeable, etc., Co.*, 106 Fed., 693, 45 C. C. A. 544; *National Folding Box and Paper*

Co. vs. Lithographic Co., 81 Fed. 395, 26 C. C. A. 448.'

Judge Vaker's remarks in the case of *Grist Mfg. Co. vs. Parsons*, 125 Fed., 116, very aptly describe what Mr. Ray did in the way of invention. He says:

"And though Johnson made a better selection and arrangement than did Horace's painter, who 'joined a human head to neck of horse, culled here and there a limb, and daubed on feathers various as his whim, so that a woman, lovely to a wish, went tailing off into a lothsome fish,' the genius of the artist was not more wanting in one case than that of the inventor in the other, for it is not invention to combine old devices into a new article without producing any new mode of operation."

IV.

FIRST RAY PATENT

This patent discloses a prior art form of electric motor, *plus* a prior art form of centrifugal fan within its prior art form of casing, having therein the prior art partition or diaphragm *plus* a prior art form of atomizing cup located within the prior art form of air nozzle, plus a prior art section of pipe for conveying oil to the cup.

The motor, fan and cup are mounted on the same shaft in the prior art manner and the whole aggregation is hinged to the furnace wall adjacent an opening therein in the prior art manner.

It will be noted that no flexible conduit or other means are disclosed for conveying oil from the source of supply to the section of oil pipe or tube 14 shown within the air nozzle in Fig. 1 of this patent. Evidently Ray, at the time of applying for this patent, assumed, as he certainly was justified in assuming, that any skilled mechanic, in attempting to make or use the burner disclosed in this patent, would have sense enough to select and utilize one of the prior art forms of means for conveying oil to a hinged oil burner, such as the prior art flexible oil conduit or such as the prior art oil pipes having sections thereof forming the hinge pintles.

Certainly, if the defendant attacked this first Ray patent on the ground that the same failed to disclose

an operative structure by reason of its failure to show some means for conveying oil from the source of supply to the section of oil tube shown within the hinged burner casing, and that invention would be required to devise such means, the ready answer of plaintiffs' counsel would naturally be that such means were known and disclosed in the prior art and that all such mechanic would have to do would be to select from such prior art oil-feeding means the particular form thereof that suited his fancy. And this answer would be a good and sufficient answer. However, when we come to consider the second Ray patent it will be seen that Ray predicates invention on just such a selection of prior art oil-feeding means for use with the same hinged burner disclosed in this first Ray patent.

It will be noted that the atomizing cup, illustrated in the first Ray patent, is shown to be almost as large as the electric motor. Plaintiffs' expert, Whaley, said the diameter of the fan "must be at least seven times the diameter of the atomizing cup to drive a sufficient force of air across the film of oil leaving the periphery of the cup and to divert its direction approximately in line with the axis of rotation" (R. 191).

It will be noted that the diameter of the fan, illustrated in this first Ray patent, is *not* seven times the diameter of the cup. If we attacked this patent on the ground that it did not disclose an operative struc-

ture because the drawings disclosed too small a fan, the ready answer of plaintiffs' counsel would naturally be that patent drawings are not made to scale and that patents are addressed to those skilled in the art and one skilled in the art would certainly have sense enough to use a fan of sufficient size and of the proper design to do the required work, and, for that reason, the patent disclosure was sufficient to enable one to make and use the burner disclosed therein without the exercise of the inventive faculty. And this answer would also be a good and sufficient answer. However, when we come to a consideration of the prior art patents, we will find opposing counsel making use of a very different criterion or standard in judging the same and attacking the same, because, according to the patent drawings, some fan appears to him to be too small to do the required work, or some other feature appears to him to be out of proportion, etc. In other words, we will find plaintiffs, in respect to the Ray patents and in respect to the prior art patents, advocating the double standard.

We shall now consider claims 3, 4, 7, 8, 9, 10, 11 and 12 of this first Ray patent No. 1,193,819, issued on August 8, 1916. The said claims are the only claims of this patent involved herein and the lower Court found and adjudged all said claims void *for want of invention*.

CLAIM 3 OF THE FIRST RAY PATENT

In quoting the exact words of this claim 3, we shall segregate the various elements thereof as follows:

Claim 3—"An oil burner comprising:

- (a) a casing having a restricted tubular discharge nozzle,
- (b) a rotatable blower mounted in the casing for impelling air through the nozzle,
- (c) an oil spraying nozzle comprising
- (d) a cup having a perforated bottom carrying a stem secured to the blower for rotation therewith and a rearwardly extending flange overhanging the stem, and
- (e) a pipe for delivering oil into the flange and through the perforated cup bottom for deliverance in a centrifugal manner into the surrounding air jet."

This claim covers the *specific* type of cup specifically described, *plus* the other elements *generically* expressed.

In our discussion of the question of aggregation, we referred to the testimony showing that it was immaterial, in respect to the mode of operation of the whole burner, whether the particular species of cup, disclosed in this first Ray patent, or the particular and different species of cup, disclosed in the second Ray patent, was aggregated with the other elements of the burner. This being true, claim 3 necessarily de-

scribes a mere aggregation of elements and not a true patentable combination, because each and all of said elements are old and the aggregation thereof has no new mode of operation and accomplishes no new results. As said by the Supreme Court in *Specialty Mfg. Co. vs. Fenton Mfg. Co.*, *supra*:

“Putting the Hoffman patent in its most favorable light, it is very little, if anything, more than an aggregation of prior well-known devices, each constituent of which aggregation performs its own appropriate function in the old way. Where a combination of old devices produces a new result, such combination is doubtless patentable, but where the combination is not only of old elements but of old results, and no new function is evolved from such combination it falls within the rulings of this court in *Hailes vs. Van Wormer*, 20 Wall. 353, 368. . . .”

All of the elements of this claim are disclosed in the prior art, as we shall now proceed to point out.

(1) “A casing having a restricted tubular discharge nozzle,” is disclosed in Fig 4 of the 1892 Klein patent No. 473,759 and in the 1895 Eddy patent No. 540,650.

(2) “A rotatable blower mounted in the casing for impelling air through the nozzle,” is disclosed in said Fig 4 of the Klein patent. In the Eddy burner the blower is located at a distance and the air conveyed to the burner by a conduit. To locate the blower on the Eddy shaft within the casing would be

a matter of mere machine design and would not change the mode of operation of the burner.

(3) "An oil spraying nozzle" is disclosed in both the Eddy and Klein and other prior patents.

(4) "A cup having a perforated bottom carrying a stem secured to the blower for rotation therewith and a rearwardly extending flange overhanging the stem," is *identical* with the King-Becker 1911 cup in evidence as "Defendant's Exhibit FF, King-Becker 1911 Device" (R. 144), and which cup is also disclosed in the drawing, signed and certified to before a notary public on August 3, 1911, and in evidence as "Defendant's Exhibit EE, King-Becker Drawing" (R. 142). Substantially the same cup is also disclosed in said Eddy patent. The Eddy cup also embraces the perforated bottom and the rearwardly projecting flange. The Fesler May, 1912, patent, also discloses a cup having the rearwardly projecting flange into which the oil is fed. We shall hereafter discuss the evidence relating to the King-Becker cup used by them in 1911 and which identical cup is in evidence.

(5) "A pipe for delivering oil into the flange and through the perforated cup bottom for deliverance in a centrifugal manner into the surrounding air jet," is identical with the supply pipe used by King and Becker in 1911 in connection with their cup, and said pipe is in evidence as part of the said "Defendant's

Exhibit FF—King-Becker 1911 Device.” In the Eddy burner, the hollow shaft operates as such oil supply pipe.

The foregoing constitute all the elements of claim 3 and all of said elements are old and function in the prior art manner to accomplish the prior art results.

CLAIM 4 OF THE FIRST RAY PATENT COMPLETELY
ANTICIPATED BY EDDY 1895 PATENT

Claim 4—“In an oil-burning apparatus,

- (a) a casing having a nozzle,
- (b) an oil spraying cup rotatable within the nozzle and provided with a plurality of perforations in its bottom only,
- (c) means for rotating the cup, and
- (d) (means) for supplying air for the nozzle, and
- (e) means for supplying oil for passage through the perforations of the cup and discharge from the latter.”

All of the elements of this claim, just as they are described therein, are disclosed in said Eddy 1895 patent No. 540,650.

Anticipation of this claim 4 by said Eddy device is full and complete. In other words, there are present in the Eddy “oil-burning apparatus, a casing having a nozzle, an oil-spraying cup rotatable within the nozzle and provided with a plurality of perfora-

tions in its bottom only, means for rotating the cup and for supplying air to this nozzle, and means for supplying oil for passage through the perforations of the cup and discharge from the latter." An inspection of the Eddy patent drawings shows claim 4 accurately describes the Eddy device, which embraces each and all the elements of the claim just as those elements are described therein. Furthermore, it is obvious said elements function in the Eddy device in the same way to produce the same results.

CLAIM 7 OF THE FIRST RAY PATENT

Claim 7—"A centrifugal oil burner comprising in combination:

- (a) a motor and a
- (b) motor shaft, upon which is mounted
- (c) a fan of relatively large diameter with respect to its width,
- (d) a fan casing, said casing having a nozzle in axial line with and surrounding and spaced from said shaft, said casing having
- (e) a diaphragm between the fan and nozzle around which the air travels in a relatively thin sheet to the nozzle, an
- (f) oil distributing cup on the end of the shaft within said nozzle
- (g) means to deliver oil to the cup, the air passing through the nozzle having a thin cylindrical discharge substantially coaxial with the oil cup and intercepting the centrifugally discharging oil from the cup, substantially as described."

This claim covers the *specific* centrifugal fan specifically described therein, *plus* the other elements *generically* expressed. In other words, this claim attempts to monopolize the old and well-known engineering principles controlling the design of a centrifugal fan for delivering a small volume of air at the pressure necessary to do the required work. We have already referred to the prior art centrifugal fans, such as the Harker and Mack, and to their enclosure in casings provided with partitions or diaphragms. These prior art centrifugal fans, their casings and diaphragms and discharge nozzles, are the same as and correspond to the above elements of the claim designated as (c), (d) and (e). Elements (a) and (b), the motor and motor shaft, are found in many of the prior patents. Element (f), the oil cup on the shaft within the nozzle, and element (g), means to deliver the oil to the cup, are found in the said prior Eddy and Klein devices. We have already discussed at length the Klein thin cylindrical discharge of air substantially coaxial with the oil cup and intercepting the oil.

We wish particularly to draw attention to the fact that this claim 7 constitutes a bold attempt to absolutely monopolize the use of centrifugal fans in oil burners, notwithstanding their former use therein and notwithstanding that, long prior to Ray's appearance on the scene, the centrifugal fan was a well-known instrumentality and a most efficient type of fan,

capable of being used in all mechanical environments wherein a blast of air was desired for any particular purpose. In a centrifugal cup oil burner, only a small volume of air at a pressure sometimes as low as 3 ounces is required. In claim 7, Ray describes a centrifugal fan so proportioned, in accordance with old and well-known general engineering principles controlling fan designing, that it will deliver a small volume of air at the necessary pressure. By so describing the relative proportions of the fan in this claim, the attempt is made to prevent every one from using a centrifugal fan properly designed to efficiently do the required work—that is, deliver such small volume of air at such a pressure.

Plaintiffs contend the type of fan disclosed in the prior Klein patent is not as efficient as the centrifugal type of fan. If Klein did not select the most efficient type of fan, did it amount to invention to merely select another well-known type of fan because it was more efficient? If it did, then Mack made the invention because he, in 1895, selected the centrifugal type of fan for use in his oil burner, as disclosed in the Mack patent.

The centrifugal type of fan was a well-known device and machine for creating a current of air and known as such long prior to Ray's appearance. Being such a device, no one was thereafter entitled to monopolize its use in any particular art, even though it was not before used for such a new purpose.

In *Heald vs. Wright*, 104 U. S. 737, 756, the Supreme Court held that there was no invention in applying a straw feeding attachment, old in fire-box boilers, to a return-flue boiler. The Court said:

“The application of it to the return flue boilers, although these were not actually known to the inventor, is merely a new and analogous use of an old device, operating in the very manner intended by its inventor, and the use of which, in the new application, involved no invention, and could not, therefore, be the subject of a patent.”

In *Blake vs. San Francisco*, 113 U. S. 679, the Supreme Court held invalid a patent for the application of an automatic relief valve to a steam fire engine and hose as being a mere unpatentable double use of the old relief valve. The Court said: (page 682)

“Where the public has acquired in any way the right to use a machine or device for a particular purpose, it has the right to use it for all the like purposes to which it can be applied, and no one can take out a patent to cover the application of the device to a similar purpose.”

Plaintiffs' witness, Whaley, said the Klein fan, as illustrated in the Klein patent drawings, was not large enough to produce the air pressure required to do the work which Klein, in his patent specification said it does, to wit: divert the oil to a direction parallel with the cup's axis of rotation. According to the testimony of this same witness, as above pointed out, the size of fan, disclosed in the drawings of this first Ray patent,

is not large enough to do such work—that is, so divert the atomized oil to a direction parallel with the cup's axis of rotation.

However, no invention is required to make a device of sufficient size to do a specified work and no invention is required to select one type of fan in preference to another less efficient type.

CLAIM 8 OF THE FIRST RAY PATENT

Claim 8—"In an oil burner a

- (a) gradually tapering air nozzle,
- (b) a gradually flaring cup arranged within the nozzle and extending a distance therein to form with the nozzle a comparatively long annular air passage which gradually decreases in area toward the contracted end of the nozzle, the latter closely surrounding the cup whereby a thin sheet of air will issue from the annular passage provided;
- (c) oil supply means for the cup, and
- (d) air supply means comprising a casing supporting the nozzle and a blower of large diameter arranged within the casing and provided with narrow blades of small area whereby a small volume of air under high pressure is obtainable."

This claim covers the prior art form of air nozzle and cup, plus the oil supply means, plus the fan so proportioned as to deliver the prior art volume of air at the prior art pressure.

The prior Klein, Eddy and Becker patents disclose such form of nozzle and cup and such oil supply means and Klein discloses such small volume of air issuing from his restricted air outlet and having such pressure which is sufficient to divert his atomized oil to a direction parallel with the cup's axis of rotation.

CLAIM 9 OF THE FIRST RAY PATENT

Claim 9—"In an oil burner

- (a) an air nozzle;
- (b) an oil spraying nozzle rotatable in the air nozzle and comprising a cup having a rearwardly extending flange, and
- (c) means for supplying oil to the flange for delivery to the cup."

This claim covers the specific cup plus the other elements generically described.

The Eddy patent discloses such a cup plus the other elements of the claim and, therefore, completely anticipates the claim. The King-Becker 1911 device also embraces all the elements of this claim and, therefore, anticipates the same.

CLAIM 10 OF THE FIRST RAY PATENT

Claim 10—"In an oil burner:

- (a) an air nozzle;
- (b) oil spraying means rotatable therein and comprising a cup having a rearwardly extending flange communicating with the cup, and
- (c) a delivery pipe having its delivery end deflected and extending into the flange of the cup, for supplying oil thereto."

This claim is also completely anticipated by the said King-Becker 1911 burner. The said Eddy patent No. 540,650, discloses a cup having the rearwardly projecting flange forming a chamber in the rear of the slotted bottom of the cup but, in place of a separate oil pipe, the Eddy hollow shaft is utilized for delivering the oil into such flange. The other elements of the claim are also disclosed in the Eddy patent, which, therefore, is a substantial anticipation of the claim, as such variation in respect to the oil pipe does not have any effect on the operation of the device. The Fesler 1912 patent is also a complete anticipation of this claim. The Fesler patent discloses "an oil burner comprising an air nozzle, an oil cup rotatable therein and said cup having the rearwardly projecting flange or channel 20 and the oil pipe 24 having its delivery end deflected and extending into the flange of the cup for supplying oil thereto."

CLAIM 12 OF THE FIRST RAY PATENT

Claim 12—"The combination in an oil burner of

- (a) an open mouth cup, having unperforated side walls, and
- (b) an oil supply through the bottom;
- (c) a circular casing having
- (d) a nozzle extending from one side, axial with and enclosing the cup, and forming therewith a long narrow convergent annular channel;
- (e) an air blower within the casing with narrow blades of small area, and
- (f) a shaft upon which both cup and blower are fixed to rotate in unison, said blower having a diameter which will discharge air under sufficient pressure to divert the centrifugally discharged oil into the line of travel of the air."

This claim merely enumerates the elements contained in the claims already discussed. The cup is disclosed in the said Eddy patent as well as in the King-Becker 1911 device. The casing and air nozzle are the same as those in the Klein device. We have already discussed the fan dimensions and Ray's attempt to prevent anyone from using a fan so designed to accomplish the result disclosed in the Klein patent.

The foregoing comprise all the claims of the First Ray patent involved in this suit.

KLEIN 1892 PATENT

On page 63 of their brief herein, opposing counsel state, regarding the Klein burner: "This is a rotary burner of the turbine type, as distinguished from the fan type of Ray."

The foregoing is a most misleading statement because it is only a half-truth and nothing is more misleading than half the truth.

The whole truth is that the Klein patent discloses both the turbine type of burner and the fan type of burner. Figures 1 and 3 of the Klein patent illustrate the turbine type of burner in which the current of air is created at a distance from the burner and conveyed to the burner casing by a conduit. Within the casing a wind-wheel C is mounted on the shaft on which is mounted the atomizing cup D and the current of air, rushing past this wind-wheel, rotates the wind-wheel and thereby rotates the shaft on which the cup is mounted. Such current of air is discharged through the *restricted* annular air outlet surrounding the periphery of the cup with sufficient force to divert the atomized oil from its right angle direction to a direction parallel with the cup's axis of rotation and thereby produce the same *straight-shot* form of flame produced in the old prior art burners in which the oil was atomized solely by the air or steam under a pressure of 25 to 30 pounds, as disclosed in the 1890 Collins' patent.

Figure 4 of the Klein patent discloses the *fan type of burner*, and it is such Klein fan type of burner that opposing counsel failed to mention. As Klein says at line 51, page 1, of his patent:

“When the air propels the wheel C, as in Figs. 1 and 3, it is forced through the chamber A-1 by some compressing or forcing device at a distance; but *when the wing-wheel C propels the air, as in Fig. 4*, the air is supplied from the surrounding atmosphere.”

As Klein states, in his turbine type, the air current is produced at a distance by a compressor or other device. As opposing counsel state on page 56 of their brief:

“The pressure on the Ray (and infringing Simplex) burner varies from a few ounces up to perhaps two pounds per square inch on some of the larger burners. The pressure obtainable with an air compressor set is, of course, much higher than this, or up around one hundred pounds per square inch.”

So it appears that an air pressure of only a few ounces, approximately three ounces to be exact, is necessary to sufficiently deflect the atomized oil to produce the straight-shot flame and Klein, with his air compressor, could, as admitted by opposing counsel, produce an air pressure up to one hundred pounds.

In the Klein fan type burner of Fig 4, the shaft is rotated by a motor belted to the pulley C-2 on the shaft. The fan C and the atomizing cup D are

mounted on the shaft so motor driven. As Klein says at line 41, page 1, of his patent:

“In the construction shown in Fig. 4, the air-wheel C and the centrifugal distributor D are propelled by a motor which is belted to the pulley C-2, which is connected with the air-wheel and distributor by the sleeve C-1, and *hence the air-wheel serves to propel the air through the chamber A-1.*”

We assume that opposing counsel entirely overlooked the foregoing fan type burner so illustrated in Fig. 4 of the Klein patent and so described in the specification and this fact may be the explanation of their misconception of the Klein patent disclosure and their erroneous statements regarding the same.

It will be noted that in this Klein fan type burner of Fig. 4, the oil is fed to the centrifugal cup D through the oil pipe B, which extends through the hollow shaft or sleeve C-1. This method of feeding oil to the cup was also appropriated by Mr. Ray and is disclosed in the second Ray patent and the contention is seriously made that invention was required to so make use of this old prior art oil feed in the old prior art manner!

On page 65 of their brief, opposing counsel assert, without any justification whatever, that the Klein atomizing cup is of large diameter, whereas the Ray cup is of small diameter.

Absolutely nothing is said, either in this first Ray

patent or in the Klein patent, regarding the diameter or size of the atomizing cup.

However, if we refer to Fig. 1 of this Ray patent, we at once perceive *a very large diameter cup* is illustrated. In fact, the cup is disclosed as being almost as large as the electric motor 10!

If the *sufficiency* of the patent disclosure of the mode of operation of the device is *dependent upon disclosing the diameter of the cup*, then this first Ray patent must be void if a small diameter cup is *essential*. If the Klein patent does not disclose the same mode of operation disclosed in this Ray patent, because the Klein patent does not disclose a small diameter cup, then, in the name of common sense, how can it be contended this Ray patent discloses such mode of operation when it illustrates a *large* diameter cup and nothing is said in the Ray patent specification what the diameter of the cup is or should be?

The ready answer of opposing counsel to the foregoing will be that the Ray patent is addressed to those skilled in the art and that they could be relied on to select the proper diameter of cup, but, as to the Klein patent being also addressed to those skilled in the art, counsel will maintain a discrete silence. Here, again, we will have opposing counsel advocating the *double standard* in judging the Ray patents and in judging the prior art patents.

Opposing counsel, as stated before, criticize the size of the Klein fan as illustrated in the Klein patent

drawings, but, according to plaintiffs' own expert witness, the size of the fan, *illustrated in the Ray patent drawings*, is too small to divert the atomized oil to a direction parallel with the cup's axis of rotation and thus produce the straight-shot flame.

It is thus apparent, that both Klein and Ray, in their respective patent disclosures, relied on the common sense, knowledge and skill of those to whom their patents were addressed, to design and construct the respective elements, with such proportions and dimensions, as to enable said elements to do the required work. And Klein disclosed that his air current would deflect the atomized oil from its right angle direction and project it parallel with the cup's axis of rotation, and Ray said nothing more.

STRAIGHT-SHOT FLAME

Plaintiffs' counsel concede there was nothing broadly new in producing in oil burners a straight-shot flame. That was the form of flame necessarily produced in the prior art burners wherein the oil was atomized by a horizontal blast of steam or air issuing from the tip of the burner under a pressure of 25 to 30 pounds.

The 1901 Thom patent discloses such a form of burner which, it will be noted, is hinged by a swivel joint so as to enable the burner to be withdrawn from the opening in the furnace wall. As Thom says: "The joints permit the burner to be moved bodily into and out of the furnace"

The 1890 Collins' patent also discloses a similar straight-shot burner so hinged as to enable it to be swung away from the furnace opening. As Collins says, at line 92, page 2, of his patent:

“The burner is mounted in front of an orifice in the furnace wall. In the case of a boiler-furnace said opening may be in the door, which otherwise may be of ordinary construction. In case the furnace is for heating metals and similar purposes, the opening may be at any proper point in the wall. In all cases and especially in the case of a steam generating furnace, it is desirable to have the ‘burner’ quickly and easily removable from its working position, so that the fire-chamber may be opened for the purposes of repair or the introduction of solid fuel, as hereinbefore stated.”

As above set forth, the same straight-shot flame was also produced in the prior art rotary cup burners, such as the Klein fan rotary cup burner. The desirability of producing the straight-shot flame was due to the location of the burner in an opening in the furnace end wall. When so located it was obvious that a flame, capable of being horizontally projected into the furnace beneath the boiler, was the desirable form of flame and, to produce such form in the rotary cup type of burner, it was only necessary to direct the air current horizontally and with sufficient force to deflect the atomized oil and carry the flaming vapor to the desired distance in the fire-box beneath the boiler. No invention was required to do this. Only engineering propositions and matters of machine design were required to produce the desired results.

SECOND RAY PATENT

This patent was applied for on May 8, 1916, or almost *seventeen months* after the filing, on November 30, 1914, of the application upon which the first Ray patent was issued.

This second Ray patent discloses a rotary atomizing cup burner similar to that disclosed in the first Ray patent *plus* some prior art features.

The first Ray patent burner is hinged to a plate on the furnace wall. In the second Ray patent burner the said plate is enlarged to surround the furnace wall opening and is provided with a tubular extension to form a metallic lining for such opening.

When the first Ray patent burner is moved into operating position with the air nozzle and atomizing cup therein projecting through the furnace wall opening, the fan casing is spaced from the furnace to a small extent as illustrated in Fig. 3 of that patent. In the second Ray patent burner, the said space, between the fan casing and furnace wall, when the burner is in operating position, is only slightly less than the said corresponding space in the burner of the first Ray patent. For this reason, Ray states such fan casing operates as a closure for the opening in the furnace wall, although an inspection of Fig. 3 of the second Ray patent shows that the fan casing is still spaced from the front plate on such furnace wall, so

that the only difference between these two burners, in this respect, is that the fan casing of the second Ray patent is closer to the wall than is the fan casing of the first Ray patent, when the burners are in operating position and neither actually forms any closure for such wall opening.

In the second Ray patent burner, a latch 40 is provided for holding the burner close to the furnace wall in operating position. This latch comprises a post projecting from the plate on the furnace wall and having a pivoted arm adapted to be swung downwards in back of the fan casing and thus keep the burner from swinging away from the furnace wall. In some of the claims this simple latch is referred to as a "post and keeper" and the same is designated in the specification by the number "40" and in Fig. 2 by said number, but in Fig. 3 this latch is erroneously numbered "4." No latch is shown in the first Ray patent for keeping the burner in position. As the hinged burner corresponds to a hinged door, there can be no invention in supplying a latch to keep either in a closed position.

The first Ray patent discloses no oil feed system for supplying the burner with oil. The second Ray patent discloses a prior art system for supplying oil to the burner and returning the excess oil to the source of supply. This oil feed and return system comprises an oil supply pipe to the oil pump operated by the motor and a section of such pipe forming one of the hinge pintles; a return oil pipe from the pump to the source

of supply to take care of the oil pumped in excess of the amount permitted to flow through the pipe to the atomizing cup and a valve in said pipe to control the amount of oil flowing to the cup.

The foregoing constitute the features added to the burner disclosed in the first Ray patent and which features are made elements of the claims involved herein.

Briefly stated, the features added to the first Ray patent burner and made elements of the second Ray patent claims involved herein, are as follows:

- (1) furnace plate having conical extension to form metal lining for furnace wall opening;
- (2) latch;
- (3) fan casing forming closure for furnace wall opening (which it does not do);
- (4) oil feed and return system.

Claims 1 to 6 and 14 to 20, inclusive, of this second Ray patent are charged to be infringed and all said claims were found and decreed, by the lower court, to be void for *want of invention*.

There is little reason for analyzing the foregoing claims, because they merely attempt to cover in various and sundry ways the addition of the foregoing features to the burner disclosed in the first Ray patent. However, we shall briefly set forth the particular feature or features so added to the burner of the first

Ray patent and attempted to be covered in each of said claims in connection with said burner or portions thereof. In doing so, we shall merely group the elements of each claim, found in the burner of the first Ray patent, under the designation "1st Ray burner" and follow same by a list of said features added thereto and so claimed therewith.

Claim 1—1st Ray burner *plus* plate having tubular extension forming lining for furnace wall opening.

Claim 2—1st Ray burner *plus* plate having tubular extension plus latch.

Claim 3—1st Ray burner *plus* plate having opening registering with furnace opening, *plus* fan casing forming closure for furnace opening (?) *plus* oil feed through hinge pintle.

Claim 4—1st Ray burner *plus* plate having tubular extension *plus* fan casing forming closure (?) *plus* oil feed through hinge pintle *plus* valve controlling pipe to cup and return pipe to source of supply.

Claim 5—1st Ray burner *plus* plate having tubular extension *plus* fan casing forming closure (?) *plus* oil feed and excess oil return pipes having sections forming hinge pintles *plus* control valve.

Claim 6—1st Ray burner *plus* plate having tubular extension *plus* fan casing forming closure (?) *plus* means for delivering fuel to atomizing cup.

Claim 14—1st Ray patent burner *plus* oil feed and return pipes having sections forming hinge pintles.

Claim 15—1st Ray burner *plus* plate having tubular extension *plus* oil feed means.

Claim 16—1st Ray burner *plus* plate having tubular extension *plus* fan casing forming closure (?) *plus* oil feed through hinge pintles.

Claim 17—1st Ray burner *plus* oil feed and oil return through hinge pintles.

Claim 18—1st Ray burner *plus* oil feed and oil return through hinge pintles *plus* oil pump.

Claim 19—1st Ray burner *plus* oil feed and oil return through hinge pintles *plus* double T pipe connection between hinge lugs.

Claim 20—1st Ray burner *plus* oil feed and oil return through hinge pintles *plus* oil pump.

From the foregoing it is apparent that the claims involved herein merely attempt to cover the addition, to the burner of the first Ray patent, of the following prior art features:

- (1) furnace plate having tubular extension;
- (2) latch;
- (3) fan casing adapted to form a closure for the opening in the furnace wall (which it does not do);
- (4) oil feed and return system embracing pipes, having sections thereof forming the hinge pintles, a control valve, and an oil pump.

Each of the foregoing features was merely appropriated by Ray from the prior art, as we shall now point out.

(1) furnace plate having tubular extension.

This feature is disclosed in the Eddy 1895 patent No. 540,650; also in the Gordejefff 1904 patent; and also in the Hamann 1905 patent, wherein the hinged fan casing forms the closure for the opening.

Furthermore, even if this feature was not appropriated by Ray from the prior art, it certainly could not amount to invention to line a hole with a metal lining.

(2) latch.

A latch to hold a hinged structure in closed position is too trivial a detail to discuss.

(3) fan casing forming closure.

As above pointed out, the fan casing of this second Ray patent is only slightly closer to the furnace wall when the burner is in operating position than is the fan casing of the first Ray burner and neither touches the wall nor the plate on the wall. Therefore, it is not correct to say the fan casing, in this second Ray patent, forms a closure for the opening in the wall. However, the Hamann 1905 patent discloses a hinged fan casing operating as a tight closure for the opening in the furnace wall. *We also wish to call attention*

to the fact that this Hamann device, although not an oil burner, embraces a centrifugal fan of large diameter with narrow blades and the air, discharging from the periphery of the fan, flows over the diaphragm 33 into the adjacent restricted enclosed chamber from which it discharges through a substantially central air nozzle into the furnace, all as adopted by Mr. Ray nine years afterwards.

The DeLandsee 1870 patent discloses an oil burner hinged to the furnace wall and the burner casing forms a tight closure for the opening in the wall.

(4) oil feed and return system.

The oil feed and return system disclosed in this second Ray patent is another feature appropriated by Mr. Ray from the prior art. "Defendant's Exhibit DD" (R. 107), being a bulletin or catalog published by defendant's predecessor, American Heat & Power Co., on March 20, 1914, discloses such a system which was common practice as early as 1911 (R. 155). In fact, the fire marshal of San Francisco at that time required the use of the surplus oil return conduit to the source of supply from the oil pump (R. 155). In said bulletin the return oil pipe is designated in the illustration of the system by the word "Return." On page 105 of the record, De Laney describes such system, which embraced an electric motor operating the oil pump and a control valve.

We have heretofore pointed out that the first Ray patent discloses no oil feed and return system so that, at the time Ray applied for such patent, he evidently assumed that it was unnecessary to disclose what was so well known and that anyone, attempting to make or use the burner disclosed in his patent, would naturally and without difficulty incorporate in such burner such old and well known oil supply and surplus oil return system. The system was old and, also, the use of the hinge pintles as oil conduits for a hinged oil burner was old. So it is no wonder he did not trouble himself with disclosing such oil system in connection with his burner disclosed in his first patent.

If any invention was required to adapt an oil feed system for use with the burner disclosed in the first Ray patent, then that patent is void for failure to disclose an operative device. Any patent is void if it fails to disclose how the device covered thereby can be made and used without the exercise of further invention. However, if a skilled mechanic can, without invention, supply what is lacking in the patent disclosure, then the validity of the patent is not affected by failing to set forth what is well known to anyone skilled in the art.

As said by the Supreme Court in *Loom Co. vs. Higgins*, 105 N. S. 585:

“That which is common and well known is as if it were written out in the patent and delineated in the drawings.”

The Anderson 1903 patent discloses a hinged "Oil Burner and Feed Mechanism Therefor" which embraces the use of pipes, sections of which form the hinge pintles just as in this second Ray patent. It will be noted that Anderson entitles his invention "Oil Burner and Feed Mechanism Therefor." In other words, Anderson considered he had invented a "Feed Mechanism" for oil burners as a separate and distinct mechanism for use with any type of hinged oil burner. Claim 4 of this 1903 Anderson patent reads as follows:

"4. In a hydrocarbon-furnace, the combination of separate fuel feed pipes, short sections of pipe forming the pintles of the furnace door and a swivel-joint connecting each of the short sections with one of the feed pipes, a burner and pipes connecting the short sections of pipe with the burner."

By reference to the Anderson patent it will be noted that the so-called "furnace door" *forms a part of the burner structure* and the burner, as a whole, including the door, is a hinged burner. In other words, the Anderson burner forms a closure for the opening, because the so-called door is rigidly associated with the other parts of the burner.

It is apparent that the foregoing mechanism, as a means for conveying a fluid to and from a hinged structure, can be used with any type of hinged structure, and after Anderson's disclosure thereof in 1903,

no one was thereafter entitled to monopolize the use thereof. It is also obvious that Ray merely appropriated said Anderson mechanism for use with the burner disclosed in his first patent. Certainly no invention was required to do this, either in connection with said burner or any other type of burner. If invention was required to use this Anderson oil feed mechanism with said burner of the first Ray patent, then said patent is void, by reason of an insufficient disclosure.

As the Supreme Court said in *Blake vs. San Francisco*, 113 U. S. 679, 682:

“Where the public has acquired in any way the right to use a machine or device for a particular purpose, it has the right to use it for all the like purposes to which it can be applied, and no one can take out a patent to cover the application of the device to a similar purpose.”

And yet that is exactly what Mr. Ray has attempted to do and, therefore, his patent is void.

The use of the hinge pintles as fluid conduits is also disclosed in the 1894 Leyson patent; in the Hamann & Voegeli 1896 patent; and in the Gordejef 1904 patent.

From the foregoing analysis of the old prior art features so appropriated by Ray and so employed by him in the old prior art manner to perform their respective prior art functions, it is apparent no invention, but only mechanical skill was exercised by Ray.

Certainly one does not make an invention every time he employs, in connection with some other specific construction of burner, a furnace wall plate having a tubular extension forming a metal lining for the hole in the wall. Such a plate and extension are obviously adapted for use with any specific type of burner and, having been used in the prior art with burners, it required no invention on the part of anyone to thereafter use such plate and extension in connection with any other burner.

Certainly one does not make an invention every time he so arranges some particular hinged burner construction that a part thereof forms a closure for the wall opening. Such an arrangement of the parts was old in some prior art hinged burners and, thereafter, no one was entitled to monopolize such arrangement with any other hinged burners.

Certainly one does not make an invention every time he employs, in connection with some other specific construction of oil burner, an oil feed and return system. Such a system is obviously adapted for use with any specific construction of oil burner and, having been used in the prior art with oil burners, it required no invention on the part of anyone to thereafter use such system in connection with any other burner.

“When the public has acquired in any way the right to use a machine or device for a particular purpose, it has the right to use it for all the like

purposes to which it can be applied, and no one can take out a patent to cover the application of the device to a similar purpose."

Blake vs. San Francisco, 113 U. S. 679, 682.

Ray's selection and arrangement of these various and sundry old instrumentalities did not result in the creation of a device having any new mode of operation or one accomplishing any new results. Whatever changes he made were changes in machine design requiring merely the exercise of mechanical skill and discretion in selecting old instrumentalities and arranging them together to perform the same old functions in the same old ways. That no invention was required to do what Ray did is apparent from the following authorities:

"Neither is it invention to combine *old devices* into a new article without producing any *new mode* of operation. *Stimpson vs. Woodman*, 10 Wall. 117; *Heald vs. Rice*, 104 U. S. 737; *Hall vs. Macneale*, 107 U. S. 90. In the recent case of *Hill vs. Wooster*, decided January 13 of this year, 132 U. S. 693, 700, it is said: 'This court, however, has repeatedly held that, under the Constitution and the Acts of Congress, a person, to be entitled to a patent, must have invented or discovered some new and useful art, machine, manufacture or composition of matter, or some new and useful improvement thereof,' and that 'it is not enough that a thing shall be new, in the sense that in the shape or form in which it is produced, it shall not have been before known, and that it shall be useful, but it must, under the Constitution and the statute,

amount to an invention or discovery'; citing a long list of authorities.

We are of the opinion that the patent in suit does not meet the requirements of the rules deduced from the decisions to which we have referred. We do not think there is any patentable invention in it; but, on the contrary, that it is merely a carrying forward of the original idea of the earlier patents on the same subject—simply a change in form and arrangement of the constituent parts of the shoe, or an improvement in degree only.”

Burt vs. Ivory, 133 U. S. 349, 359.

In the case of *Consolidated Roller Mill Co. vs. Walker*, 138 U. S. 124, 131, the Supreme Court, quoting with approval from the decision of the lower court in said case, said:

“‘It was also old and very common in machine shops and factories of various kinds, to provide an individual machine with a countershaft mounted directly in the machine frame, the countershaft being driven by a belt from the line shaft, and the machine by a belt from the countershaft. Furthermore, it was no new thing to provide the journal boxes or hangers in which countershafts are mounted with means for independently adjusting the ends of the shaft.’ It then adds that in view of the things referred to, the Court is unable to discover any patentable subject matter in claim 1 of Gray’s patent; and that it falls directly within the established principle, that the application of an old process, machine or device, to a like or analogous purpose, with no change in the mode of application and no result substantially different in its nature, will not sustain a patent, even if the

new form of result has not before been contemplated; citing *Pennsylvania Railroad Co. vs. Locomotive Truck Co.*, 110 U. S. 490, and *Blake vs. San Francisco*, 113 U. S. 679.

It then says that it is quite clear, moreover, that the application of belting to drive roller grinding-mills, to obviate the difficulties incident to the use of cog-gearing and to secure the advantages set forth in Gray's specification, did not originate with him; and that, therefore, even were it conceded that his peculiar arrangement is attended with better results than had been attained previously, still this would not sustain the patent, for, the mere carrying forward of an original conception resulting in an improvement, in degree simply, is not invention; citing *Burt vs. Ivory*, 133 U. S. 349, and that the conclusion is unavoidable, that the combination set forth in Gray's first claim evinces only the exercise of ordinary mechanical or engineering skill; citing *Hollister vs. Benedict Mfg. Co.*, 113 U. S. 59; *Thompson vs. Boisselier*, 114 U. S. 1; *Aron vs. Manhattan Railway Co.*, 132 U. S. 84; *Hill vs. Wooster*, 132 U. S. 693, 701; and *Howe Machine Co. vs. National Needle Co.*, 134 U. S. 388. We fully concur in these views and conclusions and regard them as entirely sufficient to justify the decree."

"The essence of a machine thus consists of its principle or structural law. Its shape, appearance, size, materials and *arrangement* are of no importance, except as they control its mode of operation."

Robinson on Patents, Sec. 178.

In *Atlantic Works vs. Brady*, 107 U. S. 192, the Supreme Court held invalid a patent for a dredging boat having a mud screw at the bow, in view of the

known use of the ordinary screw at the stern for the same purpose. The Court said (p. 199) :

“The process of development in manufactures creates a constant demand for new appliances, which the skill of ordinary head workmen and engineers is generally adequate to devise, and which, indeed, are the natural and proper outgrowth of such development. Each step forward prepares the way for the next, and each is usually taken by spontaneous trials and attempts in a hundred different places. To grant to a single party a monopoly of every slight advance made, except where the exercise of invention, somewhat above ordinary mechanical or engineering skill, is distinctly shown, is unjust in principle and injurious in its consequences.

The design of the patent laws is to reward those who make some substantial discovery or invention, which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufactures. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business with fears and apprehensions of concealed liens and unknown liabilities to law suits and vexatious accountings for profits made in good faith.”

In *Heald vs. Rice*, 104 U. S. 737, the Supreme Court held that there was no invention in applying a straw-feeding attachment, old in fire-box boilers, to a return-flue boiler. The Court said (p. 756):

“the application of it to the return-flue boilers, although these were not actually known to the inventor, is merely a new and analogous use of an old device, operating in the very manner intended by its inventor, and the use of which, in the new application, involved no invention, and could not, therefore, be the subject of a patent.”

In *Blake vs. San Francisco*, 113 U. S. 679, the Supreme Court held invalid a patent for the application of an automatic relief valve to a steam fire engine and hose as being a mere unpatentable double use of the old relief valve. The Court said (p. 682):

“where the public has acquired in any way the right to use a machine or device for a particular purpose, it has the right to use it for all the like purposes to which it can be applied, and no one can take out a patent to cover the application of the device to a similar purpose.”

In view of the foregoing situation, his Honor, Judge Bourquin, was certainly justified in expressing himself as follows:

“These elements and their uses in oil burning, to say nothing of analogous uses, were old when this patent was applied for, and in aggregation they operate in function and in result as they did and do in separation.

Hence, to assemble motor, fan and cup, with

their incidents, upon a single shaft, all in simple and compact form, is not invention, but is only the ordinary and anticipated advance in the art by reason of mechanical skill and the enterprise of the manufacturer and salesman.

In fact, the only objects the patent declares are 'to provide in one complete unit' an oil burner of these elements, and 'as free from friction as possible' by reason of few bearings—advantages universally sought and indicative of naught but understood skillful aggregation of old elements.

The same is to be said of patent No. 1,285,376. To the aggregation of No. 1,193,819 it adds and attaches the oil supply pump, and for hinge pintles employs pipes for the oil supply, one to drain off any excess oil.

These additions also were at that time ancient in oil burners. The patents pleaded in defense and in evidence disclose every element and incident of complainant's, save the partition diaphragm or baffle in the fan casing. If this latter serves any purpose, it does not appear, nor any that the side casing of the fan blades will not serve. Hence, to insert this partition involves no invention. See the *Dunbar* case, 94 U. S." (R. 208).

In regard to the partition diaphragm or baffle in the Ray centrifugal fan, Judge Bourquin overlooked the fact, as hereinbefore pointed out, that such a partition or diaphragm in a centrifugal fan casing was a very old feature found in prior art centrifugal fans, wherein it was desired to discharge the air from the *fan casing* in a direction at right angles to the plane in which the fan blades revolved and in which plane the air was centrifugally driven from the periphery of the fan. The prior 1895 Mack patent dis-

closes such centrifugal fan having the said partition or diaphragm and, in Fig. II of the Mack patent, arrows indicate the centrifugal discharge of the air in a vertical plane from the periphery of the fan blades rotating in a vertical plane and the horizontal passing of the air over the circular edge of the diaphragm and then vertically downward parallel with the plane of rotation of the fan and then discharging through the horizontal air nozzle at right angles to the plane in which the fan rotates. As said before, such a diaphragm for so directing and controlling the direction of flow of the air so as to enable the same to be discharged from the fan casing in an axial direction at right angles to the plane of the fan's rotation, was an old feature and is also found in the centrifugal fan, of large diameter with narrow blades, disclosed in the Hamann 1905 patent.

The Hamann 1905 centrifugal fan, of large diameter with relatively narrow blades, rotates in a vertical plane in the fan casing in which there is the vertical stationary diaphragm 33 of circular form like Mack's and Ray's. The air, discharged in a *vertical* plane, from the periphery of the Hamann fan, flows *horizontally* over the entire circumference of the circular diaphragm 33 and then *vertically* towards the fan shaft, and then discharges through the horizontal, substantially centrally located air nozzle, all precisely as disclosed in the Ray patents in respect to the corresponding centrifugal fan so appropriated by

Ray from the prior art. By reason of said Hamann diaphragm 33, the stream of air, discharged from the periphery of the fan, flows axially through the passageway having such diaphragm as one vertical side thereof and the wall 15 as the other vertical side thereof, as disclosed in Fig. 2 of the Hamann patent. It is thus seen that the air, when flowing in a vertical plane axially, is separated from the revolving fan by such Hamann vertical diaphragm 33 of circular form and, therefore, the revolving fan cannot cause any swirling of such flowing air, as mentioned by opposing counsel on page 30 of their brief.

In view of the presence of these diaphragms in prior art centrifugal fans, it is most remarkable that opposing counsel should seek to make capital out of Judge Bourquin's mistake in thinking there was anything new in providing the old, well-known centrifugal fan with a partition or diaphragm for so forming a vertical air-passage for the air, free from the effects of the revolving fan! Did opposing counsel hope to have your Honors make the same mistake and decide this case on a mistaken understanding of the actual facts?

The foregoing merely demonstrates that Ray did not contribute a single new feature. He merely appropriated an old prior art centrifugal fan embracing the conventional features in respect to providing for a horizontal central air discharge from the fan casing at right angles to the vertical plane

in which the fan revolved and which fan and features, as early as 1895, had been used in oil burners.

“Where the public has acquired in any way the right to use a machine or a device for a particular purpose, it has the right to use it for all the like purposes to which it can be applied, and no one can take out a patent to cover the application of the device to a similar purpose.”

Blake vs. San Francisco, supra.

VI.

KING-BECKER HORIZONTAL ROTARY BURNER

The King-Becker horizontal rotary burner was devised by them in 1911. The rotary atomizing cup, the oil feed pipe with deflected or bent end for feeding oil into the rearwardly projecting flange of the cup, and the section of pipe, forming the air nozzle, all as actually used by them in 1911, are in evidence as "Defendant's Exhibit FF—King-Becker 1911 Device" (R. 144).

"Defendant's Exhibit 'EE'—King-Becker Drawing" (R. 142), is a drawing disclosing said device, which embraced said cup and a fan and motor, all mounted on the same shaft, and the motor direct connected to an oil pump which supplied oil to the cup through the pipe having the deflected end for delivering oil into the rearwardly projecting flange of the cup. This drawing is dated August 3, 1911, and was signed by Messrs. King and Becker and witnesses on that date and duly certified to before a notary public on such date.

Mr. Joseph H. King resides in Oakland, California, and is now president and general manager of the Marchant Calculating Machine Company of Oakland. In 1911, Messrs. King and Becker formed the American Heat & Power Company, which had its plant at Oakland from that date until 1915, and said

company was succeeded by the Standard Oil Burner Company, the predecessor of the Bunting Iron Works.

The said King-Becker burner was tested and used by them at the Oakland plant of the American Heat and Power Company in 1911 and found satisfactory (R. 141). Regarding this burner, Mr. King said:

“In 1911, Mr. Becker and myself made and operated a straight-shot rotary oil burner, having a motor, a fan, a pump, and an atomizing cup, and a means for getting the oil into the cup and returning the surplus to the tank” (R. 140).

Regarding the said atomizing cup, which is in evidence, as above stated, Mr. King said:

“A. The atomizing cup was made in the form of a deep cup, the oil admitted at the rearward end; the shape and pitch of the side walls being designed in such a manner as to retard the flow of the oil from the point of intake to the point of discharge a sufficient time so that the absorption of reflected heat would reduce the viscosity of the oil and cause the point of ignition to take place immediately upon the discharge from the periphery.” (R. 142.)

Regarding such burner, the witness Becker said:

“Q. What tests, if any, did you make with device?

A. It was actually installed in the furnace, fire-brick lined, and it was in actual operation.

Q. With what success?

A. It worked very good, very good success.” (R. 154.)

It will be noted such atomizing cup, in evidence, is a full-sized cup, so actually used in 1911 and all the witnesses agree that the atomizing cup, in and by itself, is a complete instrumentality for use in one of these rotary burners. Obviously, the construction and use of such a cup in an oil burner, actually operating in a furnace, is a complete reduction to practice of such cup and constitutes the same a complete invention forming a part of the prior art. Even a few minutes' actual use of such a full-size cup would be sufficient to demonstrate its practicability as an atomizing cup.

At the time this cup was made and used, and for a considerable time thereafter, the American Heat & Power Company and the Standard Oil Burner Company were not marketing the horizontal type of rotary burner and, for this reason, they did not embody such King-Becker cup in their burners, because the same is a cup designed for use with the horizontal rotary type of burner. However, when the Standard Oil Burner Company began making the horizontal type of rotary burner, it adopted and used the identical form of atomizing cup so designed and used by King and Becker in its predecessor's Oakland plant, and it is this form of atomizing cup that is embodied in the Bunting Iron Works' burner complained of as an infringement.

In other words, years after the Bunting Iron Works' predecessor developed and used at its plant

just across the Bay, this particular type of atomizing cup having a vertical perforated partition and rearwardly projecting flange, Mr. Ray appropriated the the same, just as he appropriated from the prior art every other feature disclosed in his patents.

There is no direct evidence on the question, but in view of the close proximity of such Oakland plant, where such cup was used, and Ray's San Francisco plant, and the moving about and intermingling of mechanics employed about the Bay, the inference is almost irresistible that Ray knew about such cup and merely adopted it for his own use. He had a right to use the same as it was part of the unpatented prior art. However, he has no right to prevent the successor of the company that developed such cup, from also using the same. However, the prior 1895 Eddy patent No. 540,650 discloses substantially the same form of cup having the perforated vertical partition and rearwardly projecting flange into which the oil is fed. The Fesler, 1912 patent, also discloses a cup having the rearwardly projecting flange, forming a channel into which the oil is fed by the oil pipe having a deflected or bent end.

The testimony regarding the King-Becker 1911 burner is clear and convincing and uncontradicted. Parts of the device itself are in evidence and a drawing of the device, executed and attested contemporaneously with the use of the device in 1911, are also in evidence. The device is of such a nature that a

short use thereof in a furnace was sufficient to fully demonstrate the success of the same. There was no secrecy about such use. It was in the open. Therefore, the making and successful use of such device constitutes the same a part of the prior art. However, in view of the other prior art devices of the same general form, construction and mode of operation, defendant's case is not dependent upon this King-Becker development. It is, however, of particular interest because of the conclusion and inference, from all the surrounding facts and circumstances, that Ray knew of the same and followed his usual course of adopting and appropriating, from the prior art, the various features which appealed to his mechanical judgment and discretion.

Opposing counsel seek to show a well defined line of development in this art through certain types of burners, each type being used during a certain period and then abandoned and followed by another type. There is no justification for such contention. The prior art shows the development of all the types at various times—that is, prior art vertical and rotary types, saucer-shaped and straight-shot flames, respectively, both precede and succeed one another.

Opposing counsel seek to impress the Court with plaintiffs' large sales of their burners. The fact is, in view of the development of the oil industry and the general use of oil as fuel in recent years and, therefore, the general use of oil burners of all types,

the sales of burners by plaintiffs are very small. Also, only 24 burners, as disclosed in the first Ray patent, were ever sold (R. 185). However, extensive sales cannot aid claims which are void for want of invention. (*Huebner-Toledo Breweries Co. vs. Matthews Gravity Carrier Co.*, 253 Fed., 435, 447.)

VII.

DATES RELATING TO RAY'S ACTIVITIES

Ray states that in November or December, 1913, he made his first drawing disclosing his burner and that, between March and April, 1914, he made his first model burner. This burner was not hinged to the furnace but permanently attached thereto and the centrifugal fan therein did not embrace any diaphragm. In other words, in appropriating the old form of centrifugal fan disclosed in the Hamann 1905 patent, Ray did not, at first, utilize the Hamann diaphragm 33. It is obvious that this first burner did not embrace all the elements found in the claims of the first Ray patent (R. 177). Furthermore, Ray does not state he ever tried out this burner of March-April, 1914, so the same has no bearing or relevancy. As he said:

“Q. Was that device put to use or tried out?

A. That particular one, I don't know, but the next ones we built were.” (R. 178.)

Ray's next step was to make another drawing on September 13, 1914 (R. 178), and in October, 1914, his second burner was made (R. 180).

As all the prior art, relied on herein, antedates November, 1913, the earliest date even mentioned by Ray as having any relevancy to his work with the burners involved herein, it is unnecessary to further discuss Ray's testimony regarding these dates.

VIII.

ESTOPPEL DEFENSE

The defense of estoppel is based upon the following facts: On December 20, 1915, the then owner of the King patent, American Standard Oil Burner Company, filed in the lower court its bill of complaint against W. S. Ray Manufacturing Company, and therein alleged the infringement of the King patent; on September 1, 1917, the Ray Company filed its answer in said suit *but did not file any cross-complaint charging the infringement of the first Ray patent, sued on herein, notwithstanding that, at that time, the American Standard Oil Burner Company was making and selling the type of burner thereafter made and sold by its successor, Bunting Iron Works, and charged, in the complaint herein, to be an infringement of the said Ray patent.*

By reason of the failure of the herein plaintiffs, in said suit, to charge infringement of said first Ray patent by such manufacture of the same burner, herein charged to infringe said patent, the said American Standard Oil Burner Company was entitled to rely on such silence of plaintiffs herein and thereby acquired the right to continue such manufacture of said type of burner. In other words, it was the duty of plaintiffs, at that time, to assert their claim of infringement and not, by their silence, mislead defendant's predecessor into a feeling of security prompting

it to proceed and build up a business in such type of burner. Being so estopped from maintaining an infringement suit on the first Ray patent against defendant's predecessor, plaintiffs should likewise be estopped from maintaining this suit against the Standard Oil Burner Company's successor, which naturally and properly relied on the foregoing facts and situation when it succeeded to the business of the Standard Oil Burner Company.

The Standard Oil Burner Company began making the said type of oil burner as early as 1915 (R. 184). It is thus apparent the following cases are in point:

In *Swain vs. Seamens*, 9 Wall., 254, 274, Mr. Justice Clifford said:

“Where a person tacitly encourages an act to be done he cannot afterwards exercise his legal right in opposition to such consent, if his conduct or acts of encouragement induced the other party to change his position, so that he will be pecuniarily prejudiced by the assertion of such adversary claim.”

These same principles have been frequently referred to and adopted by the Supreme Court of the State of California:

Carpy vs. Dowdell, 115 Cal., 687;

Scott vs. Jackson, 89 Cal., 262;

Dolbeer vs. Livingston, 100 Cal., 621;

Hostler vs. Hays, 3 Cal., 303;

Mitchell, vs. Reed, 9 Cal., 204.

In the case of *Starrett vs. J. Stevens Arms & Tool Co.*, 96 Fed., 244, it appeared that the complainant was aware of the manufacture by the defendant of the calipers complained of, and that certain correspondence ensued, in which was discussed the question of the infringement, complainant claiming an infringement, and the defendant denying it. In this connection the Court says:

“There was manifest good faith in the claim of the defendant that it was not infringing the complainant’s device, and it would operate as a great injustice at this late day to interfere with an established business conducted under an open claim of right for so many years. The laches in this case are such as to debar not merely the claim for profits, but any claim to the interposition of a court of equity.”

CONCLUSION

Opposing counsel endeavor, in every possible way, to bolster up the contention that Ray made an invention, by criticizing the defendant's conduct in appropriating from the prior art, the same old, prior art instrumentalities so appropriated by Mr. Ray. The prior art was open to all and every mechanic in this art was free to utilize the prior art devices. Ray appropriated from defendant's predecessor the atomizing cup developed by that concern; Ray appropriated from defendant's predecessor, the oil feed and excess oil return system used by that concern; and Ray appropriated from the other prior art, all of the rest of the features disclosed in his patents. He was justified in adopting such prior art instrumentalities but he was not justified in attempting to monopolize them.

Judge Bourquin, in the light of the proofs and testimony, produced and adduced in open court, has found and decreed that only mechanical skill was exercised by Mr. Ray and that, therefore, the patent claims involved herein are void for want of invention. *The question of invention is one of fact* and the lower Court has made its finding in respect to such question or issue.

“The question is not whether the patents in suit are directly anticipated by either of the prior patents mentioned, but whether in view of the prior art the patents involved invention. This

question of the presence or absence of invention is one of fact, to be answered in the light of all pertinent considerations. *Herman vs. Youngstown Car Mfg. Co.* (C. C. A. 6th Cir.), 191 Fed., 579, 112 C. C. A. 185; *Ferro Concrete Co. vs. Concrete Steel Co.* (C. C. A. 6th Cir.), 206 Fed., 666, 668, 124 C. C. A. 466; *Loose Leaf Co. vs. Loose Leaf Binder Co.*, 230 Fed., 120, 144 C. C. A. 418. (Decided by this Court December 15, 1915.)”

Zimmerman vs. Advance Machinery Co., 232 Fed., 866, 869 (C. C. A. 6th C.).

In the case of *North American Exploration Co. vs. Adams*, 104 Fed., 404, it is said:

“This was the conclusion reached by the Court below after a careful consideration of all this evidence. It is settled by the repeated decisions of the Supreme Court and of this Court that where the Chancellor has considered conflicting evidence and made his finding and decree thereon, they must be taken to be presumptively correct and unless an obvious error has intervened in the application of the law or some serious or important mistake has been made in the consideration of the evidence, the findings should not be disturbed.” (Citing many cases.)

To the same effect are the words of this Court in the case of *Moyer, et al., vs. Butte Miners' Union*, 246 Fed., 657, 663, wherein it is said:

“The present case is not one which calls for departure from the general rule that where there is a serious conflict in the evidence, and the District Court has had the advantage of seeing and

hearing the witnesses, and has decided that the weight of the testimony as to the existence of a fact is with the one side as against the other, the appellate Court will not disturb the conclusion of the lower Court, but will confine its review to the questions of law presented for its consideration."

In view of the foregoing, we respectfully submit that the decree of the lower Court dismissing the bill of complaint herein should be affirmed.

Respectfully submitted,

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Attorneys for Defendant-Appellee.

No. 4256

IN THE
United States Circuit Court of Appeals) 2
FOR THE NINTH CIRCUIT.

WILLIAM R. RAY and W. S. RAY MANUFACTURING
COMPANY (a corporation),

Appellants and Cross-Appellees,

vs.

BUNTING IRON WORKS,

Appellee and Cross-Appellant.

**Brief on Behalf of Cross-Appellant
Bunting Iron Works.**

WILLIAM K. WHITE,

CHARLES M. FRYER,

Solicitors and Counsel for Cross-Appellant,
Bunting Iron Works.



IN THE
United States Circuit Court of Appeals
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WILLIAM R. RAY and W. S. RAY MANUFACTURING COMPANY (a corporation), <i>Appellants and Cross-Appellees,</i>	}	No. 4256
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BUNTING IRON WORKS, <i>Appellee and Cross-Appellant.</i>		

Brief on Behalf of Cross-Appellant
Bunting Iron Works

I.

STATEMENT OF FACTS.

This case comes before this Court on an appeal from a final decree dismissing the cross-complaint of the defendant Bunting Iron Works.

The defendant's cross-complaint alleges infringement, by the plaintiffs, William R. Ray and W. S. Ray Manufacturing Company, of United States letters patent No. 1,158,058, issued on October 26, 1915,

to Joseph H. King, as assignor to American Standard Oil Burner Company, for "Centrifugal Burner."

The record, on this cross-appeal, embraces the Cross-Complainant's Condensed Statement of the Evidence under Equity Rule 75, and this statement appears at page 222 of the Transcript of Record.

In complainants' answer to said cross-complaint (R. 30), the validity of the King patent is not attacked. No affirmative defense, effecting such validity, is pleaded. No prior patents, no prior publications, no prior uses and no prior inventions are pleaded in said answer to the cross-complaint charging infringement of this King patent.

Only one prior art publication, to wit: the "Naval Liquid Fuel Report," was offered in evidence by the cross-defendants in respect to the issues raised by the cross-complaint and the answer thereto. This publication was specifically offered in evidence solely for the purpose of showing the prior art, and is marked "Plaintiff's Exhibit 29" (R. 204). As it was not pleaded, such publication was not admissible to prove invalidity. This well established rule was announced by this Court in the case of *Morton v. Llewellyn et al.*, 164 Fed. 693, 694, in the following words:

"The law is well settled that the defendant to a suit for infringement must give notice in his answer of any defense by way of prior patents, publications, or public use, if he desires to prove

any of such defenses to show want of novelty or invention in the patent sued on."

However, it is not contended that the validity of the King patent is affected by this "Naval Liquid Fuel Report," which was considered by the Patent Office in connection with King's application, which disclosed a substantially different structure.

By referring to such "Condensed Statement" (R. 222), it will be noted that the parties stipulated: that the parties were corporations, as pleaded; that the cross-complainant was the sole owner of the King patent, and of all causes of action for past infringement thereof; and that the cross-defendants had made and sold, within six years prior to the filing of the cross-complaint, devices as disclosed, illustrated and described in the Ray Manufacturing Company catalog, Defendant's Exhibit A.

To prove notice of infringement, cross-complainant offered in evidence a certified copy of the bill of complaint, filed in the lower court on December 20, 1915, by the cross-complainant's predecessor in interest in the King patent, American Standard Oil Burner Company, in its suit against W. S. Ray Manufacturing Company for the infringement of the King patent. This bill of complaint, together with the answer thereto and a copy of the order, dismissing the bill *without prejudice*, are in evidence as "Defendant's Exhibit KK" (R. 170).

It is to be noted that said answer of W. S. Ray Manufacturing Company was filed on September 1, 1917, and embraces no cross-complaint charging infringement of any patents of the Ray Company, although, at that time, cross-complainant's predecessor in interest in the King patent and in cross-complainant's business, to wit, American Standard Oil Burner Company, was making and selling devices like those made by the Bunting Iron Works and, in the complaint herein, charged to infringe the Ray patent No. 1,193,819, issued August 8, 1916 (R. 184).

The Ray Company's failure, in September, 1917, to so charge infringement of said Ray patent, is referred to by reason of that company's attempt, in the case at bar, to maintain the defense of "estoppel," based on the dismissal "*without prejudice*," of said suit brought against it by cross-complainant's predecessor in interest for the infringement of the King patent. Such dismissal "*without prejudice*" was a specific and direct notice to the Ray Company that the then owner of the King patent reserved the right to again file another suit for the same cause of action and, therefore, such a dismissal could never be construed as a withdrawal of the charge of infringement. And, therefore, such a dismissal cannot be relied on as an "estoppel."

If any estoppel arose out of such suit, it was one estopping the Ray Company from thereafter charging infringement of said Ray patent by the type of device

then being sold by the American Standard Oil Burner Company and thereafter sold by the Bunting Iron Works and, in the complaint herein, charged to infringe said Ray patent. The Ray Company's failure to file, in said suit, a cross-complaint charging infringement of said Ray patent, was an act on which the American Standard Oil Burner Company and its successor, the Bunting Iron Works, were entitled to rely and which they were entitled to interpret as acquiescence in their course of conduct in respect to the making and selling of such type of oil burner.

In view of the stipulated facts, as set forth in such "Condensed Statement," only two defenses relied on are pleaded in the answer to the cross-complaint herein, to wit, non-infringement and estoppel. As stated before, the validity of the King patent is not attacked in said answer, and no evidence or proofs, relative to the issues raised by the cross-complaint and answer thereto and relative to the validity of the King patent, were received in evidence.

Relative to the scope of the King patent claims, only one prior art publication was offered in evidence by cross-defendants, the same being the "Naval Liquid Fuel Report" above referred to.

It is, therefore, necessary for your Honors to consider only two defenses, to wit, non-infringement and estoppel. In respect to the question of infringement, the scope of the King patent claims is to be determined in the light of only one prior art device, to wit,

the centrifugal "flat disk" oil burner disclosed in said "Naval Liquid Fuel Report." No prior art was pleaded in cross-defendants' answer to the cross-complaint, and no prior art, other than said "Naval Liquid Fuel Report" was offered in evidence in respect to the issues raised by the cross-complaint and the answer thereto. In other words, it is our contention that the prior art offered in evidence by the defendant and cross-complainant, Bunting Iron Works, in respect to the issues raised by the complaint and answer thereto, can only affect those issues and are not available for use by the plaintiffs and cross-defendants in respect to the issues raised by the cross-complaint on the King patent and the answer to said cross-complaint. To hold otherwise would be to ignore the rule announced in the *Morton v. Llewellyn* case, *supra*, and to permit proofs, offered in respect to one cause of action only, to be used in respect to a separate and distinct case on another patent, notwithstanding the failure to plead as required by the Revised Statutes.

Claims 1 and 2 of the King patent are relied on and charged to be infringed. These claims read as follows:

"1. In a centrifugal burner, the combination of a casing open at its upper end, an open enlarged cup shaped centrifugal atomizer journaled in the casing, said atomizer having its open end projecting through the upper end of the casing, and

means for introducing oil into the lower end of the atomizer.”

“2. In a centrifugal burner, the combination of a casing open at its upper end, an open outwardly flaring enlarged cup shaped centrifugal atomizer journaled in the casing, said atomizer having its open end projecting through the upper end of the casing and spaced from same, means for introducing oil through the lower end of the atomizer and means for inducing an air current through the casing between the atomizer and casing.”

The centrifugal oil burner, admittedly made and sold by the cross-defendants, William R. Ray and W. S. Ray Manufacturing Company and charged to infringe claims 1 and 2 of the King patent, is described and illustrated in their catalog, “Defendant’s Exhibit A” (R. 224).

In regard to the infringement of the King patent, his Honor, Judge Bourquin, who tried this case in the lower court, said:

“In respect to defendant’s patent, little has been said for or against it. It seems to be set out more as a counter-irritant, and the actual instrumentality is not in evidence. Whatever its merits, wherein complainant has infringed, if at all, is not particularized. Whether valid or not, the evidence does not prove infringement. And that only is the decision of the Court.” (R. 210.)

The foregoing embraces all that is said in Judge Bourquin’s opinion herein in respect to the infringe-

ment of the King patent. In so finding that the evidence did not prove infringement, we believe Judge Bourquin overlooked the stipulation (R. 55) to the effect that the cross-defendants had made and sold the devices disclosed in their catalog, "Defendant's Exhibit A." In other words, we believe that Judge Bourquin found non-infringement on the theory that the cross-plaintiff, Bunting Iron Works, had failed to prove the manufacture or sale of the device charged to be an infringement. In our judgment, his opinion is susceptible of only this interpretation because, as will hereafter appear, the King patent claims 1 and 2 read directly on and accurately describe the centrifugal oil burner disclosed in said catalog, "Defendant's Exhibit A."

In view of the foregoing fact that the King patent claims 1 and 2 accurately and completely describe said oil burner described in said catalog, we do not believe the lower court would have so worded its opinion if the same was intended to be a finding that said Ray centrifugal oil burner was not within the language and scope of said claims and, therefore, not an infringement thereof.

II.

THE KING PATENT.

The King patent No. 1,158,058 was applied for on March 23, 1914, and issued on October 26, 1915, for "Centrifugal Burner." By referring to Fig. 1 of this patent, it will be noted the King burner comprises a casing 2 open at its end; an open enlarged cup shaped centrifugal atomizer 7 journaled in the casing and the open end of the cup projecting through the end of the casing 2; the hollow standard 5 through which oil is delivered to the bottom of the cup 7; and the fan 9 for inducing an air current between the casing 2 and the cup 7. The foregoing elements comprise all the elements specified in claims 1 and 2 of the King patent.

On the casing 2, is secured an adjustable collar 15 which may be moved to and from the cup 7 to increase or decrease the area of the annular air outlet 13, or, in other words, to regulate the *volume* and *velocity* of the air discharging from the burner into the furnace. As the patentee, King, says, at line 104, page 2, of his patent:

"The adjustable collar, together with the horizontally positioned fan, permits the volume and velocity of air to be regulated for various conditions and sizes of furnaces, and the velocity of air may be increased by raising the collar through means of adjusting the screw 16. This also serves to reduce the volume, if necessary. It can thus be seen that the flame area may be easily concen-

trated or spread by adjusting the area of the annular air discharge opening."

It is thus seen, the King device embraces means for varying both the *volume* and the *velocity* of the air and thereby attain whatever results are desired in respect to the shape or form of flame and in respect to the atomizing effect of the current of air in cooperation with the atomizing effect of the revolving oil cup, throwing the oil off at right angles to the axis of rotation.

In respect to the advantages adhering in the cup shaped centrifugal atomizer, the patentee says at line 115, page 2, of his patent:

"The oil introduced into this burner is cold and is superheated by the reflected heat to which it is exposed while passing through the atomizer. The temperature of the oil should be about the flashing point when discharging over the edge of the atomizer, and this result may be easily obtained by introducing either shallow or deep cups. If the temperature is rather low within the furnace it can easily be seen that it will be necessary to expose the oil to the reflected heat a longer time than if the temperature is high. A deep cup would thus be required in a furnace only requiring a low temperature, as the oil would be exposed a greater time period in a deep cup than in a shallow cup. Similarly, where high temperature is encountered, it will only be necessary to insert a shallow cup, thus reducing the time period to which the oil is exposed before discharging into the furnace."

During the prosecution of the King application, the said "Naval Liquid Fuel Report" was cited as a reference by the Patent Office Examiner. This report discloses an oil burner provided with a *flat steel disk* operating as the centrifugal oil atomizer. In order to differentiate claims 1 and 2 of his application from said *flat disk* construction, King limited said claims respectively to "an open *enlarged cup shaped* centrifugal atomizer," and to "an open *outwardly flaring enlarged cup shaped* centrifugal atomizer." The said application claims, before such amendment thereof, were the same as the King patent claims 1 and 2, with the exception of said words in *italics* in the above quotations and which words "enlarged," "outwardly flaring enlarged" and "shaped" were so inserted to differentiate Kings "cup" from such "flat disk" of the reference.

In view of the fact that the infringing Ray burner embraces the King cup construction and not such a "*flat disk*," such limitation of the King claims does not affect the question of infringement.

In the device disclosed in such "Naval Liquid Fuel Report," the "flat disk" was arranged to rotate in a *horizontal* plane. It will be noted that the King burner is also illustrated with the cup rotating in a *horizontal* plane and the burner thus adapted to be placed in the center of a furnace beneath the boiler. However, it is quite obvious that the King burner could be inserted in the end of the furnace and with

the cup rotating in a *vertical* plane. This obvious fact is mentioned in said "Naval Liquid Fuel Report," wherein it is said:

"For purposes of use in furnaces of Scotch boilers it would be desirable to place the rotating head in the end of the furnace, and require the disk to revolve in a *vertical* plane."

The foregoing quotation is of interest because the Ray burner is adapted for insertion in the end of the furnace and, as stated in such Report, the Ray centrifugal cup is required to be rotated in a *vertical* plane. Revolve the King burner, as illustrated in Fig. 1 of the King patent, through an arc of 90 degrees and the cup therein will then be rotating in a *vertical* plane. It would seem to be self-evident that infringement could not be avoided by simply positioning the patented device in a horizontal plane instead of in a vertical plane, as illustrated in the patent drawings.

The fact, that it is immaterial whether the operation of a device be in a vertical or horizontal plane, is referred to in the case of *Metallic Extraction Co. v. Brown*, 104 Fed. 345, 353, wherein the Circuit Court of Appeals for the Eighth Circuit said:

"*Winans v. Denmead* was cited and the doctrine enunciated therein was applied, in the recent case of *Hoyt v. Horne*, 145 U. S. 302, 12 Sup. Ct. 922, 36 L. Ed. 713, where the patent under consideration was for an improvement in machines

for beating rags and other fibrous material into pulp. In that case it appeared that the patentee in one of his claims had described his improvement as consisting in part 'in circulating the fibrous material and liquid in vertical planes.' By making slight changes in some parts of the machine described by the patent, the defendant had manufactured and was using a pulp-making machine which caused the pulp to circulate in a vat in a 'horizontal plane' instead of circulating in 'vertical planes.' Upon an examination of the defendant's machine, the court found that he had succeeded in appropriating all that was of value in the patented device. It accordingly held the defendant guilty of an infringement of the plaintiff's patent, and declined to regard the statement contained in the plaintiff's claim as to the manner in which the pulp circulated as a limitation of the claim. *Winans v. Denmead* has been cited with approval, and the principle enunciated has been applied in several other cases, to wit: *McCormick Harvesting Mach. Co. v. Aultman & Co.*, 37 U. S. App. 299, 16 C. C. A. 259, 69 Fed. 371, 387; *Reece Buttonhole Mach. Co. v. Globe Buttonhole Mach. Co.*, 21 U. S. App. 244, 10 C. C. A. 194, 61 Fed. 958; *Electric Co. v. La Rue*, 139 U. S. 601, 606, 11 Sup. Ct. 670, 35 L. Ed. 294; *Devlin v. Paynter*, 28 U. S. App. 115, 12 C. C. A. 188, 64 Fed. 398.

III.

INFRINGEMENT.

On page 4 of the Ray Manufacturing Company's catalog, "Defendant's Exhibit A," there is illustrated the burner charged to infringe claims 1 and 2 of the King patent. In the illustration at the top of said page, the centrifugal oil cup is shown rotating in a vertical plane. In Fig. 1 at the bottom of said page, the cup is shown rotating in a horizontal plane. The fan is not shown in these illustrations, but the same is shown in other cuts in the catalog and reference to the same is made in the upper illustration on page 4.

In the language of the King patent claims 1 and 2, it is apparent this Ray burner is a centrifugal burner embodying (1) "a casing open at its upper end" and same being the element designated as "nozzle" in the Ray illustration; (2) "an open enlarged cup shaped centrifugal atomizer journaled in the casing" and same being designated "atomizing cup" in the Ray illustration; (3) "said atomizer having its open end projecting through the upper end of the casing," as is apparent from an inspection of said illustrations; (4) "and means for introducing oil into the lower end of the atomizer," as is also apparent from an inspection of such illustration at the top of the page wherein the oil is shown pouring out of the hollow standard and pipe into the bottom of the cup, just as in the King device; and (5) "means for inducing an

air current through the casing between the atomizer and casing” and which air is indicated in the illustration at the top of said page by arrows and the words “Air from fan” and shown as passing between the casing or nozzle and the atomizing cup.

The foregoing embrace all of the elements of claims 1 and 2 of the King patent, and it is apparent they are present in said Ray burner and therein inter-related and combined in the same manner in which they are inter-related in the King burner. In both the King and Ray burners, said elements function in substantially the same way to accomplish substantially the same result.

In view of the foregoing, there seems no occasion to further discuss the question of infringement. “It is so plain that to argue it would obscure it.”

IV.

ESTOPPEL DEFENSE.

The defense of estoppel is based upon the following facts: On December 20, 1915, the then owner of the King patent, American Standard Oil Burner Company, filed in the lower court its bill of complaint against W. S. Ray Manufacturing Company, and therein alleged the infringement of the King patent; on September 1, 1917, the Ray Company filed its answer in said suit but did not file any cross-complaint charging the infringement of the first Ray patent, sued on herein, notwithstanding that, at that time, the American Standard Oil Burner Company was making and selling the type of burner thereafter made and sold by Bunting Iron Works and charged, in the complaint herein, to be an infringement of the said Ray patent; that, on May 26, 1919, said suit on the King patent was dismissed without prejudice; and that no other complaint for the infringement of the King patent was filed until April 27, 1922, when the Bunting Iron Works filed herein its cross-complaint charging infringement of the said King patent.

From the foregoing, it is obvious that the dismissal of the said suit on May 26, 1919, "*without prejudice*," was an unequivocal notice to the cross-defendants that the charge of infringement of the King patent was not withdrawn or waived and said infringement thereof not acquiesced in because the then owner of

the King patent took the precaution of dismissing said suit "without prejudice" and so reserving the right to file another suit for the same cause of action. In view of such unequivocal notice that the right, to again sue on the King patent, was reserved, the Ray Company was not misled in respect to the position of the then owner of the King patent and, therefore, no estoppel could possibly arise out of such dismissal.

If any estoppel arose out of the foregoing facts, it was one in favor of the American Standard Oil Burner Company and its successor in interest, Bunting Iron Works. The failure of the Ray Manufacturing Company to file, in said suit, a cross-complaint charging infringement of said first Ray patent of August 8, 1916, very naturally led the American Standard Oil Burner Company to believe that its burner (like the Bunting Iron Works burner herein charged to infringe said patent) was not deemed an infringement and that it could safely proceed with the manufacture thereof. Such silence on the part of the Ray Company was certainly a course of conduct upon which the American Company was entitled to rely, and the same should now estop the Ray Company from maintaining its charge of infringement herein. However, the American Standard Oil Burner Company was not silent in respect to its rights under the King patent and notice thereof was given to the Ray Company, and said rights were never waived nor surrendered.

CONCLUSION.

In view of the foregoing, we respectfully submit that the decree of the lower court dismissing the cross-complaint herein should be reversed and the usual interlocutory decree in favor of the cross-complainant, Bunting Iron Works, be directed entered herein.

Respectfully submitted,

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